

# ***DEPARTMENT OF HEALTH***

## ***MISSION***

The Department of Health ensures that high quality appropriate health services are available to all New York State residents at a reasonable cost. Department functions and responsibilities include:

- Promoting and supervising public health activities throughout the State;
- Ensuring high quality medical care in a sound and cost effective manner for all residents;
- Reducing infectious diseases such as tuberculosis, measles, mumps and rubella and chronic disabling illnesses such as heart disease, cancer, stroke and respiratory diseases; and
- Directing a variety of health-related homeland security measures in conjunction with the Governor's Office of Public Security. As part of this mission, the Department works with the State's health care community to ensure appropriate readiness and response to potential public health threats.

The Department of Health is also the principal State agency that interacts with the Federal and local governments, health care providers and program participants for the State's Medicaid program.

## ***ORGANIZATION AND STAFFING***

Under the direction of the Commissioner, who is appointed by the Governor, the Department of Health meets its responsibilities through the Office of Medicaid Management, the Office of Managed Care, the centers located in the Office of Public Health, and the Office of Health Systems Management. These entities provide policy and management direction to the Department's system of regional offices. Department staff located in regional offices conduct health facility surveillance, monitor public health, provide direct services and oversee county health department activities.

Additionally, the Department is responsible for five health care facilities that are engaged in advanced medical research and patient care, the Helen Hayes Hospital in West Haverstraw, and four nursing homes for the care of veterans and their dependents in Oxford, New York City, Batavia and Montrose. In early 1999, responsibility for the operations of the Roswell Park Cancer Institute was transferred to a public benefit corporation, the Roswell Park Cancer Institute Corporation, pursuant to an operating agreement between the Corporation and the Department. This has provided Roswell with the flexibility needed to compete more effectively in a changing health care environment.

In 2004-05, the Department of Health will have a workforce of approximately 5,900 positions, with 28 percent of those positions employed in the Department's health care facilities.

- Approximately 17 percent of these positions are paid exclusively by the General Fund;
- 13 percent are directly supported by fees;
- 56 percent are supported by third party, private patient care and Federal reimbursement; and
- The remaining 14 percent are directly funded by Federal grants.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

### ***MEDICAID***

Without any new cost controlling measures, total Medicaid spending in New York would grow to approximately \$44 billion in 2004-05. The 2004-05 Medicaid Budget reflects a

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continued commitment to an effective and affordable delivery system that promotes high quality health care, protects patients, and ensures access to appropriate services to meet the health care needs of the State's neediest residents.

Medicaid costs, which have been controlled in recent years, are now increasing at a rate that places an unaffordable burden on State and local governments. Accordingly, the 2004-05 Executive Budget proposes that the State assume responsibility for the financing of the local government share of long term care costs over a ten-year period. Additionally, the Budget recommends a series of actions to control Medicaid cost increases to keep the program affordable for State and local taxpayers while ensuring continued access to needed health care services for recipients.

### ***Pharmacy***

Absent efforts to control growth, State Medicaid spending on pharmacy services will reach over \$1 billion in 2004-05.

The 2004-05 Executive Budget recommends several measures to control these costs. These include: implementing a "forge-proof" prescription program to reduce illegal marketing of drugs; establishing a preferred drug program; reducing pharmacy reimbursement from Average Wholesale Price (AWP) less 12 percent to AWP less 15 percent for name brand prescriptions and to AWP less 30 percent for generic drugs; increasing Medicaid co-payments for generics (\$0.50 to \$1.00) and brand name drugs (\$2.00 to \$3.00) and requiring individuals in managed care to make co-payments.

### ***Acute Care***

The Health Care Reform Act (HCRA), originally enacted in 1996, serves as the statutory basis governing hospital financing. Under HCRA, most non-Medicaid payors negotiate rates with hospitals, encouraging competition in the health care industry. Medicaid rates are established consistent with governing HCRA statutes.

The 2004-05 Executive Budget recommendation for HCRA maximizes the use of available revenues, reduces costs where feasible and advances new targeted funding for important initiatives. These changes will ensure that hospitals and clinics will continue to receive adequate funding and that high quality health care services are accessible and affordable for all New Yorkers.

State Medicaid spending for hospitals and clinics is expected to exceed \$2.4 billion in 2004-05, which reflects a Budget recommendation to re-establish a 0.7 percent assessment on hospital revenues.

### ***Long Term Care***

State spending on nursing home and community-based care comprises more than half the General Fund Medicaid Budget — or an estimated \$4.3 billion in 2004-05.

The 2004-05 Executive Budget recommends that the State assume the local government share of long term care costs over a ten-year period, contingent upon enactment of measures to control long term care costs. These savings measures include: re-establishing the reimbursable nursing home assessment at 6.0 percent; refinancing capital debt for AIDS nursing facilities; closing eligibility loopholes that allow individuals to not contribute to the costs of their care; re-establishing a 0.7 percent home care assessment; and increasing home care target savings for counties. In addition, the Budget recommends updating the labor component of the nursing home rate in order to improve recruitment and retention of needed workers. That update is contingent on the elimination of supplemental payments for hospital based nursing homes and facilities with more than 300 beds.

While progress continues to be made in implementing the provisions of the Long Term Care Integration and Finance Act of 1997, which included the rapidly growing Managed Long Term Care program, new reforms are necessary to meet the future needs of the elderly and disabled. Accordingly, the Budget proposes legislation to authorize the Commissioner of

Health to conduct technology demonstration projects that promote the delivery of cost effective and quality services through alternative approaches. The Budget also advances measures to promote more attractive and flexible long term care insurance options.

### ***Managed Care***

The 2004-05 Executive Budget reflects the continued mandatory enrollment of Medicaid recipients in managed care. Federal approval of New York's 1115 Managed Care waiver in July 1997 set the stage for mandatory enrollment to commence in October 1997. To date, New York City and 24 upstate counties — Albany, Broome, Cattaraugus, Chautauqua, Columbia, Erie, Genesee, Greene, Herkimer, Livingston, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Rockland, Saratoga, Suffolk, Wayne and Westchester — are operating mandatory managed care programs. The remainder of the State will continue to phase in managed care, subject to Federal approval, during 2004-05.

Managed care enrollment is projected to reach approximately 1.9 million by the end of 2003-04 and 2.0 million by the end of 2004-05. When fully implemented, approximately three-quarters of all Medicaid recipients eligible for managed care are expected to be enrolled. The managed care program has facilitated an increased use of primary care, lower emergency room use, and fewer inpatient days for the Medicaid population.

The State's Medicaid managed care program — currently authorized through March 2006 — ensures that the neediest people receive high quality, accessible health care. Special Needs Plans, which began operation in May 2003, provide comprehensive services to individuals infected with HIV/AIDS. Medicaid managed care also incorporates a comprehensive set of consumer protections to ensure that all recipients obtain enrollment assistance and quality care, and understand their rights and responsibilities under managed care plans.

### ***Medicaid Administration***

The Department of Health is responsible for overall management of the Medicaid program, including the State's interaction with Federal and local governments, health care providers and Medicaid recipients. Counties will continue their role in making Medicaid eligibility determinations and contracting with providers of Medicaid services. Payments to health care providers also continue to be made through the State's computerized Medicaid Management Information System (MMIS) that is operated by a private agency with oversight by State personnel. The Department has obtained management and development services for a Replacement Medicaid System (RMS) that will replace both MMIS and the Electronic Medicaid Eligibility Verification System (EMEVS) with an integrated claims processing system. RMS will provide updated technologies and bring New York State into compliance with new Federal reporting requirements. In addition, the new system will substantially enhance front-end detection of Medicaid fraud.

### ***CHILD HEALTH PLUS***

New York's Child Health Plus program continues to set a national standard for children's health insurance coverage for children up to age 19. The Child Health Plus program was significantly expanded with passage of legislation under Governor Pataki's leadership in both 1996 and 1998, resulting in a dramatic increase in enrollment to over 445,000 children. Under Governor Pataki, the program has expanded to include comprehensive health benefits and increased eligibility to 250 percent of the Federal Poverty Level (FPL). When eligible Federal funds are combined with State HCRA moneys, the Child Health Plus program will provide comprehensive coverage to virtually all eligible children in the State. The 2004-05 Budget recommends transferring children ages 6-19 with incomes between 100 to 133 percent FPL from Medicaid to Child Health Plus and reducing funding for facilitated enrollment.

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### **FAMILY HEALTH PLUS**

As authorized by HCRA 2000, the Family Health Plus program offers access to comprehensive health coverage for eligible low-income adults who do not have insurance through their employers, yet have incomes that do not qualify them for other publicly financed health programs. Under Family Health Plus, health coverage was expanded on October 1, 2001 to include families with incomes up to 133 percent of the gross Federal Poverty Level (FPL) and on October 1, 2002 up to 150 percent of the FPL. For individuals without children, coverage is offered to those at 100 percent of the FPL. The Executive Budget recommends imposing the Medicaid asset/resource test; requiring a 12-month waiting period for those who had group health coverage previously; prohibiting coverage for individuals employed by a large business or governmental entity; requiring co-payments; eliminating dental and vision services; and eliminating facilitated enrollment funding.

### **OTHER PUBLIC HEALTH PROGRAMS**

Excluding Medicaid program costs, General Fund appropriations finance 27 percent of the Department of Health's budget in 2004-05. Other revenue sources, including: 1) reimbursement for patient care provided at the Department's health care facilities; 2) regulatory fees and audit recoveries; 3) management fees for hospital and nursing home construction projects financed through bond proceeds; and 4) registration, testing and certification fees for various public health services, support 43 percent of the Department of Health's budget, including the Professional Medical Conduct Program, clinical and environmental laboratory certification activities, and health care facilities' operating costs. The remaining 30 percent is provided by Federal grants and Fiduciary and Enterprise funds.

Capital Project appropriations preserve and maintain the Department's hospitals, nursing homes, and the three separate laboratory facilities in Albany County that constitute the Wadsworth Center for Laboratories and Research. The costs of projects at the health care facilities are funded from facility revenues and/or the General Fund.

This overall recommendation ensures that public health priorities are preserved. As such, the 2004-05 Budget:

- Recommends a \$21 million bond financed appropriation for the State share of a \$60 million project to re-build the Veterans Nursing Home at Oxford. DOH will seek Federal funds to finance the balance of the project's costs. Oxford is the oldest of the State's four Veterans homes and the proposed 252-bed home will replace the existing 25-year old facility.
- Includes \$78 million for the Roswell Park Cancer Institute Corporation;
- Sustains the State's commitment to fighting the AIDS epidemic by providing statewide spending of more than \$3 billion, a year-to-year increase of \$449 million, including \$103.4 million for the AIDS Institute. Emphasis will continue to be placed on prevention and specialized services which target resources to populations with the greatest risk of infection;
- Provides \$704.5 million for the Elderly Pharmaceutical Insurance Coverage program (EPIC) to ensure that more than 325,000 senior citizens receive crucial prescription insurance. The Executive Budget provides a series of measures that will reduce the cost of the EPIC program by \$60 million in 2004-05. These proposals reduce pharmacy reimbursement from Average Wholesale Price (AWP) less 12 percent to AWP less 15 percent for brand name drugs, and to AWP less 30 percent for generic drugs, implement a Preferred Drug Program; and provide an incentive for low-income EPIC enrollees to participate in the new Medicare Discount Drug Program. EPIC fees will be waived for those individuals — reducing their costs and producing savings for EPIC. Together these cost saving measures achieve much needed fiscal relief while continuing to meet the State's obligation to provide adequate health care to its most vulnerable citizens. Even after these savings are considered, New York will still spend considerably more on prescription drug services for seniors than any other state in the nation.

- Includes \$221.6 million for the General Public Health Works program to reimburse of counties and New York City for providing public health services such as childhood immunizations, primary health care, and control of communicable diseases such as tuberculosis and sexually transmitted diseases in 2004. Legislation accompanying the budget will adjust the reimbursement system for this program to reduce the State share for “optional services” from 30 percent to 20 percent. Core services and public health emergency reimbursements will be unchanged and counties will be given the flexibility to allocate the optional services reduction within that category;
- Includes \$41.5 million, funded largely from HCRA, for an anti-smoking program, including counter advertising, community and school-based education programs, cancer mapping and strict enforcement of laws regulating the sale and use of tobacco products;
- Supports the optional State supplementation of the Federal nutrition assistance program for women, infants and children (WIC) with \$28.8 million. New York continues to be one of only 13 states to augment Federal nutrition funds;
- Includes \$10 million, including \$6 million from HCRA, to implement a series of initiatives recommended by the Adult Homes Work Group to improve the quality of life and safety for adult home residents in New York. This includes \$2 million for grants to adult home operators for quality of life enhancements, including technical upgrades, wellness programs and other improvements. The Department, working with the Office of Mental Health, the Commission on Quality of Care for the Mentally Disabled and the State Office for the Aging, has undertaken a statewide effort to conduct client assessments; improve medication management; initiate enhanced service coordination and other advocacy services; and expand social and recreational activities; and
- Provides \$277 million for the State share of Early Intervention (EI) costs and dramatically restructures this program serving infants and toddlers under the age of three who have developmental delays. The budget advances measures to improve insurance reimbursement for EI medical services provided to insured children and require parents earning above 250 percent of the Federal Poverty Level to pay monthly fees ranging from \$25 to \$215. Several additional statutory measures are proposed to promote cost effectiveness, including: a modified rate structure which establishes a single reimbursement rate for in-home services and a capitated rate for service coordination; independent program eligibility evaluations; a two-tier prior approval process for services exceeding five per week, a new fee to support an enhanced provider certification program; and tools for counties to better manage EI, including the authority to set rates.

## **PROGRAM HIGHLIGHTS**

### **MEDICAID**

Originally established in 1965 by the Federal government as a health insurance program for the poor, New York’s Medicaid program costs will total \$42.1 billion in 2003-04, and provide coverage to approximately 3.7 million New Yorkers. Cost containment and revenue maximization initiatives have resulted in the State’s 2003-04 General Fund Medicaid spending being held to nearly 1994-95 levels. In addition to the federally mandated services — inpatient and outpatient hospital care, nursing facility care, physician services, home health care, family planning, and laboratory and x-ray services — New York also provides almost all federally permissible optional services.

Historically, the Federal government has paid for 50 percent of the State’s Medicaid program. However, Federal legislation was enacted in May 2003 providing States with a 2.95 percent increase in Federal Medicaid Assistance Percentage for 15 months — from April 1,

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2003 through June 30, 2004. During this period, the State will pay about 33 percent of the total costs and counties will pay about 14 percent. The Federal government matches, on an unlimited basis, each State and local dollar expended on Medicaid.

### **ACCESS TO HIGH QUALITY HEALTH CARE**

The Department develops and implements programs to ensure that residents of New York have access to high quality health care. Over the last several years, significant legislation has been enacted that significantly enhances the availability of appropriate care to all New Yorkers including the following:

- The landmark Health Care Reform Act (HCRA) of 1996 deregulated inpatient hospital reimbursement and introduced a market-based system which allows commercial insurers, managed care entities and self-insured plans to establish rates of payment directly through negotiations with hospitals and without State intervention. HCRA 2000, enacted in 1999, re-affirmed the State's commitment to ensuring that the hospital system adapts to the changing health care environment. In addition, HCRA 2000 provided the necessary resources to expand the Child Health Plus program and initiated comprehensive new programs to expand access to health care for the uninsured, including Family Health Plus and Healthy New York;
- HCRA 2002 provided the necessary resources for a multi-year investment to attract, train and retain a high quality health care workforce in New York State and expanded Medicaid eligibility to working disabled individuals and to cover the cost of treatment for low income women diagnosed with breast or cervical cancer through the Center for Disease Control's National Screening Program;
- In 2003, HCRA was extended for two years, through June 2005. In addition, revenues were enhanced, through increases in health care surcharges and the dedication of additional Empire Conversion proceeds and Federal World Trade Center Funds, to maintain the financial stability of HCRA through the extension period.
- Pioneering consumer managed care legislation enacted in 1996 — the Managed Care Bill of Rights — ensured that consumers are appropriately informed about managed care choices and benefits, and guaranteed that providers can discuss all appropriate health care options; and
- Enhanced consumer protections were added in External Review legislation enacted in 1998, which provide health plan enrollees the opportunity to request an external appeal when coverage of health care services is denied on the grounds that the service is not medically necessary or that it is experimental or investigational.

The 2004-05 Executive Budget further modifies HCRA to maintain affordability while also making targeted investments to promote the use of long-term care insurance and the expanded use of technologies in the management and delivery of health care services. These changes also maximize Federal reimbursement for Graduate Medical Education costs previously financed through HCRA, and dedicate a portion of the proceeds from any not-for-profit insurer to for profit status to HCRA. Furthermore, the Budget also proposes to reduce costs where feasible and eliminate certain HCRA programs which, when combined with the additional revenues, will ensure financing of HCRA programs through June 2005.

### **PUBLIC HEALTH**

Efforts such as education, research and disease prevention are aimed at improving the health of all New Yorkers. Particular focus is placed on nutrition, prenatal and perinatal care, child health, treatment and control of sexually-transmitted diseases and tuberculosis, childhood immunization, the health risks of environmental contaminants, drinking water purity and follow-up investigations of disease outbreak. In addition, the Department serves as primary liaison with local and county health departments to ensure the quality of public health services throughout New York State.

The Wadsworth Center for Laboratories and Research assists the Department in accomplishing its public health mission. Screening programs conducted by the Center annually report nearly three million test results to providers. These programs encompass such public health concerns as HIV, tuberculosis, environmental contamination and genetic disorders in newborns. Ongoing research, largely funded by external grants, is carried out for public health problems such as AIDS, Lyme disease, cancer and the toxic effects of chemical substances and radiation. The Wadsworth Center regulates more than 800 environmental laboratories and more than 1,800 clinical laboratories and blood banks to ensure testing quality, and the public's health and safety. In addition, the Wadsworth Center and DOH's Center for Community Health continue to play key roles in managing the State's preparation for response to bio-terrorism.

**A COMMITMENT TO AIDS RESEARCH AND PREVENTION**

The Department develops and funds HIV prevention and health care programs, educates the public and health care providers, formulates policy and directs regional and statewide HIV/AIDS planning. New York remains a leader in combating this complex epidemic by responding to changes in incidence with even greater attention to population-based programming, long-term care and policies designed to reduce discrimination and guarantee basic medical care and treatment for the uninsured. New York State will spend \$3 billion to combat HIV/AIDS next year.

**HEALTH SYSTEMS MANAGEMENT**

The Department ensures that quality health care is available to all New York residents by overseeing the services provided by hospitals, nursing homes, diagnostic and treatment centers and home care providers. The Department strives to ensure that limited health care dollars are prudently spent through its reimbursement rate methodologies, rate setting, and review and monitoring of health facility plans for construction and expansion. Federal reimbursement for surveillance and certification, and fees for overseeing facilities to ensure that bonded debt is repaid, help to offset program costs.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

<b>Category</b>	<b>Available 2003-04</b>	<b>Appropriations Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations Recommended 2004-05</b>
State Operations	4,550,460,600	4,646,664,000	96,203,400	9,056,076,300
Aid To Localities	35,967,505,500	36,612,241,600	644,736,100	25,121,068,100
Capital Projects	76,600,000	97,600,000	21,000,000	238,087,000
Total	40,594,566,100	41,356,505,600	761,939,500	34,415,231,400

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## ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Program	Full-Time Equivalent Positions (FTE)		
	2003-04	2004-05	FTE Change
	Estimated FTEs 03/31/04	Estimated FTEs 03/31/05	
Administration and Executive Direction			
General Fund	100	88	(12)
Special Revenue Funds - Federal	64	58	(6)
Special Revenue Funds - Other	257	249	(8)
AIDS Institute			
General Fund	151	151	0
Special Revenue Funds - Other	13	13	0
Child Health Insurance			
Special Revenue Funds - Other	38	37	(1)
Community Health			
Special Revenue Funds - Federal	556	566	10
Special Revenue Funds - Other	80	78	(2)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	23	22	(1)
Environmental Health			
General Fund	104	99	(5)
Special Revenue Funds - Federal	113	113	0
Special Revenue Funds - Other	73	71	(2)
Capital Projects Funds - Other	72	70	(2)
Health Care Financing			
General Fund	59	56	(3)
Special Revenue Funds - Other	59	57	(2)
Health Care Standards and Surveillance			
General Fund	545	543	(2)
Special Revenue Funds - Other	254	248	(6)
Health Services			
Enterprise Funds	14	14	0
Institution Management			
Special Revenue Funds - Other	1,672	1,672	0
Laboratories and Research			
General Fund	387	374	(13)
Special Revenue Funds - Federal	87	81	(6)
Special Revenue Funds - Other	181	176	(5)
Managed Care			
General Fund	160	152	(8)
Medicaid Audit and Fraud Prevention			
General Fund	233	233	0
Special Revenue Funds - Federal	221	246	25
Special Revenue Funds - Other	32	32	0
Office of Medicaid Management			
General Fund	345	338	(7)
Special Revenue Funds - Federal	24	22	(2)
Special Revenue Funds - Other	2	2	0
Total	5,919	5,861	(58)

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2003-04	Recommended 2004-05	Change
General Fund	165,891,600	170,066,000	4,174,400
Special Revenue Funds - Federal	3,961,720,000	4,049,572,000	87,852,000
Special Revenue Funds - Other	422,839,000	427,016,000	4,177,000
Enterprise Funds	10,000	10,000	0
Total	4,550,460,600	4,646,664,000	96,203,400

**STATE OPERATIONS**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM**  
**APPROPRIATIONS**  
(dollars)

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration and Executive Direction			
General Fund	19,600,000	18,908,000	(692,000)
Special Revenue Funds - Federal	9,066,000	10,370,000	1,304,000
Special Revenue Funds - Other	30,655,000	31,973,000	1,318,000
AIDS Institute			
General Fund	15,707,000	14,771,000	(936,000)
Child Health Insurance			
Special Revenue Funds - Federal	45,478,000	53,000,000	7,522,000
Special Revenue Funds - Other	11,892,000	11,126,000	(766,000)
Community Health			
Special Revenue Funds - Federal	107,733,000	118,124,000	10,391,000
Special Revenue Funds - Other	6,829,000	6,729,000	(100,000)
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	14,550,000	12,007,000	(2,543,000)
Environmental Health			
General Fund	9,037,000	8,641,000	(396,000)
Special Revenue Funds - Federal	26,084,000	27,629,000	1,545,000
Special Revenue Funds - Other	16,176,000	16,079,000	(97,000)
Health Care Financing			
General Fund	4,933,000	4,386,000	(547,000)
Special Revenue Funds - Other	7,158,000	7,275,000	117,000
Health Care Standards and Surveillance			
General Fund	43,362,000	49,962,000	6,600,000
Special Revenue Funds - Other	54,002,000	56,455,000	2,453,000
Institution Management			
Special Revenue Funds - Other	125,035,000	132,426,000	7,391,000
Enterprise Funds	10,000	10,000	0
Laboratories and Research			
General Fund	30,026,000	31,092,000	1,066,000
Special Revenue Funds - Federal	10,158,000	11,448,000	1,290,000
Special Revenue Funds - Other	32,120,000	31,924,000	(196,000)
Maintenance Undistributed			
General Fund	(102,362,000)	(108,962,000)	(6,600,000)
Special Revenue Funds - Other	102,362,000	108,962,000	6,600,000
Managed Care			
General Fund	14,189,000	13,854,000	(335,000)
Special Revenue Funds - Other	60,000	60,000	0
Medicaid Audit and Fraud Prevention			
General Fund	18,781,600	19,096,000	314,400
Special Revenue Funds - Federal	47,478,000	59,883,000	12,405,000
Special Revenue Funds - Other	14,500,000	4,500,000	(10,000,000)
Office of Medicaid Management			
General Fund	44,161,000	44,283,000	122,000
Special Revenue Funds - Federal	3,620,000,000	3,673,395,000	53,395,000
Special Revenue Funds - Other	7,500,000	7,500,000	0
Medicaid Management Information System			
General Fund	68,457,000	74,035,000	5,578,000
Special Revenue Funds - Federal	95,723,000	95,723,000	0
Total	<u>4,550,460,600</u>	<u>4,646,664,000</u>	<u>96,203,400</u>

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**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service Regular (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	7,408,000	(692,000)	7,180,000	(692,000)
AIDS Institute	8,890,000	(936,000)	8,890,000	(936,000)
Environmental Health	6,704,000	(396,000)	6,505,000	(396,000)
Health Care Financing	3,604,000	(547,000)	3,569,000	(547,000)
Health Care Standards and Surveillance	34,355,000	0	33,985,000	0
Laboratories and Research	21,441,000	1,066,000	21,120,000	1,066,000
Managed Care	9,523,000	(335,000)	9,523,000	(335,000)
Medicaid Audit and Fraud Prevention	14,260,000	(115,800)	14,260,000	(115,800)
Office of Medicaid Management	20,229,000	(765,500)	20,229,000	(545,500)
Total	<u>126,414,000</u>	<u>(2,721,300)</u>	<u>125,261,000</u>	<u>(2,501,300)</u>

  

<b>Program</b>	<b>Temporary Service (Nonannual Salaried)</b>		<b>Holiday/Overtime Pay (Annual Salaried)</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	125,000	0	103,000	0
AIDS Institute	0	0	0	0
Environmental Health	187,000	0	12,000	0
Health Care Financing	0	0	35,000	0
Health Care Standards and Surveillance	120,000	0	250,000	0
Laboratories and Research	64,000	0	257,000	0
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	0	0	0	0
Office of Medicaid Management	0	(70,000)	0	(150,000)
Total	<u>496,000</u>	<u>(70,000)</u>	<u>657,000</u>	<u>(150,000)</u>

**STATE OPERATIONS - GENERAL AND OFFSET FUNDS  
SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED  
APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Supplies and Materials</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	11,500,000	0	740,000	0
AIDS Institute	5,881,000	0	1,333,881	0
Environmental Health	1,937,000	0	159,000	0
Health Care Financing	782,000	0	12,000	0
Health Care Standards and Surveillance	15,607,000	6,600,000	279,500	0
Laboratories and Research	9,651,000	0	3,210,000	0
Managed Care	4,331,000	0	34,000	0
Medicaid Audit and Fraud Prevention	4,836,000	430,200	0	(85,300)
Office of Medicaid Management	24,054,000	887,500	0	(305,000)
Medicaid Management Information System	74,035,000	5,578,000	0	0
Total	152,614,000	13,495,700	5,768,381	(390,300)

<b>Program</b>	<b>Travel</b>		<b>Contractual Services</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	262,000	0	10,293,000	0
AIDS Institute	311,700	0	3,556,900	0
Environmental Health	415,000	0	1,223,000	0
Health Care Financing	38,300	0	722,000	0
Health Care Standards and Surveillance	1,247,300	0	7,287,700	0
Laboratories and Research	76,000	0	6,060,000	0
Managed Care	0	0	4,297,000	0
Medicaid Audit and Fraud Prevention	0	(180,000)	3,687,000	1,121,848
Office of Medicaid Management	0	(256,000)	4,000,000	1,708,500
Medicaid Management Information System	0	0	74,035,000	5,578,000
Total	2,350,300	(436,000)	115,161,600	8,408,348

<b>Program</b>	<b>Equipment</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration and Executive Direction	205,000	0	0	0
AIDS Institute	228,519	0	450,000	0
Environmental Health	140,000	0	0	0
Health Care Financing	9,700	0	0	0
Health Care Standards and Surveillance	192,500	0	6,600,000	6,600,000
Laboratories and Research	305,000	0	0	0
Managed Care	0	0	0	0
Medicaid Audit and Fraud Prevention	0	(426,348)	1,149,000	0
Office of Medicaid Management	0	(260,000)	20,054,000	0
Medicaid Management Information System	0	0	0	0
Total	1,080,719	(686,348)	28,253,000	6,600,000

# HEALTH

**STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2004-05 RECOMMENDED  
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration and Executive Direction	42,343,000	2,622,000	16,419,000	115,000
Child Health Insurance	64,126,000	6,756,000	2,285,000	41,000
Community Health	124,853,000	10,291,000	0	0
Elderly Pharmaceutical Insurance Coverage	12,007,000	(2,543,000)	1,292,000	(324,000)
Environmental Health	43,708,000	1,448,000	4,801,200	(121,800)
Health Care Financing	7,275,000	117,000	4,135,000	2,000
Health Care Standards and Surveillance	56,455,000	2,453,000	15,944,000	(1,799,000)
Institution Management	111,176,000	4,609,000	0	0
Laboratories and Research	43,372,000	1,094,000	8,883,000	(120,000)
Managed Care	60,000	0	0	0
Medicaid Audit and Fraud Prevention	64,383,000	2,405,000	0	0
Office of Medicaid Management	3,680,895,000	53,395,000	0	0
Medicaid Management Information System	95,723,000	0	0	0
<b>Total</b>	<b>4,346,376,000</b>	<b>82,647,000</b>	<b>53,759,200</b>	<b>(2,206,800)</b>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration and Executive Direction	12,710,000	512,000	13,214,000	1,995,000
Child Health Insurance	8,841,000	(807,000)	53,000,000	7,522,000
Community Health	0	(100,000)	124,853,000	10,391,000
Elderly Pharmaceutical Insurance Coverage	10,590,000	(2,244,000)	125,000	25,000
Environmental Health	9,877,800	174,800	29,029,000	1,395,000
Health Care Financing	3,140,000	115,000	0	0
Health Care Standards and Surveillance	22,416,000	3,452,000	18,095,000	800,000
Institution Management	0	0	111,176,000	4,609,000
Laboratories and Research	11,941,000	(76,000)	22,548,000	1,290,000
Managed Care	0	0	60,000	0
Medicaid Audit and Fraud Prevention	0	(10,000,000)	64,383,000	12,405,000
Office of Medicaid Management	0	0	3,680,895,000	53,395,000
Medicaid Management Information System	0	0	95,723,000	0
<b>Total</b>	<b>79,515,800</b>	<b>(8,973,200)</b>	<b>4,213,101,000</b>	<b>93,827,000</b>

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE  
APPROPRIATIONS  
(dollars)**

Fund Type	Available	Recommended	Change
	2003-04	2004-05	
General Fund	6,736,928,500	7,040,779,600	303,851,100
Special Revenue Funds - Federal	23,704,913,000	23,801,398,000	96,485,000
Special Revenue Funds - Other	4,295,664,000	4,294,064,000	(1,600,000)
Fiduciary Funds	1,230,000,000	1,476,000,000	246,000,000
<b>Total</b>	<b>35,967,505,500</b>	<b>36,612,241,600</b>	<b>644,736,100</b>

Adjustments:	
Prior Year Deficiency	
Health, Department of	
General Fund	100,000,000
Special Revenue Funds - Other	34,000,000
Recommended Deficiency	
Health, Department of	
Special Revenue Funds - Other	(40,000,000)
Appropriated 2003-04	<u>36,061,505,500</u>

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS  
(dollars)**

<b>Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>
Administration and Executive Direction			
General Fund	869,000	602,000	(267,000)
AIDS Institute			
General Fund	5,575,500	787,600	(4,787,900)
Special Revenue Funds - Other	88,253,000	88,253,000	0
Child Health Insurance			
Special Revenue Funds - Federal	949,000,000	1,000,000,000	51,000,000
Special Revenue Funds - Other	496,400,000	435,000,000	(61,400,000)
Community Health			
General Fund	533,866,000	582,699,000	48,833,000
Special Revenue Funds - Federal	640,454,000	641,639,000	1,185,000
Special Revenue Funds - Other	52,823,000	60,323,000	7,500,000
Elderly Pharmaceutical Insurance Coverage			
Special Revenue Funds - Other	620,400,000	704,500,000	84,100,000
Environmental Health			
Special Revenue Funds - Federal	2,788,000	3,206,000	418,000
Special Revenue Funds - Other	6,200,000	6,200,000	0
Health Care Standards and Surveillance			
General Fund	13,806,000	13,731,000	(75,000)
Special Revenue Funds - Federal	0	650,000	650,000
Special Revenue Funds - Other	4,000,000	6,000,000	2,000,000
Laboratories and Research			
General Fund	1,071,000	931,000	(140,000)
Special Revenue Funds - Federal	2,784,000	3,201,000	417,000
Maintenance Undistributed			
General Fund	(7,288,000)	(7,288,000)	0
Special Revenue Funds - Other	7,288,000	7,288,000	0
Office of Medicaid Management			
General Fund	7,558,000	8,458,000	900,000
Medical Assistance			
General Fund	6,068,121,000	6,325,009,000	256,888,000
Special Revenue Funds - Federal	21,628,087,000	21,670,902,000	42,815,000
Special Revenue Funds - Other	3,020,300,000	2,986,500,000	(33,800,000)
Fiduciary Funds	1,230,000,000	1,476,000,000	246,000,000
Medical Assistance Administration			
General Fund	113,350,000	115,850,000	2,500,000
Special Revenue Funds - Federal	481,800,000	481,800,000	0
Total	<u>35,967,505,500</u>	<u>36,612,241,600</u>	<u>644,736,100</u>

**CAPITAL PROJECTS  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS  
(dollars)**

<b>Comprehensive Construction Program</b>	<b>Available 2003-04</b>	<b>Recommended 2004-05</b>	<b>Change</b>	<b>Reappropriations 2004-05</b>
Design and Construction Supervision				
Capital Projects Fund	0	0	0	452,000
Capital Projects Fund - Advances	0	21,000,000	21,000,000	0
Rehabilitation and Improvements				
Capital Projects Fund	0	0	0	531,000
Laboratories and Research				
Capital Projects Fund	4,000,000	4,000,000	0	11,716,000
Maintenance and Improvements of Existing Institutions				
Capital Projects Fund	7,600,000	7,600,000	0	27,651,000
New Institution Construction				
Capital Projects Fund - Advances	0	0	0	20,000,000
Water Resources				
Federal Capital Projects Fund	65,000,000	65,000,000	0	147,737,000
Safe Drinking Water - Clean Water/Clean Air 96				
Capital Projects Fund - 1996 CWA (Bondable)	0	0	0	30,000,000
Total	<u>76,600,000</u>	<u>97,600,000</u>	<u>21,000,000</u>	<u>238,087,000</u>