

HEALTH & MENTAL HYGIENE

**Summary of Recommended Appropriations
By Agency**

OFFICE FOR THE AGING

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	115,807,100	115,162,100	(645,000)	-0.6%
Special Revenue-Other	1,230,000	1,230,000	0	0.0%
Special Revenue-Federal	124,972,000	125,972,000	1,000,000	0.8%
Enterprise	100,000	100,000	0	0.0%
Total for AGENCY SUMMARY:	242,109,100	242,464,100	355,000	0.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	26	21	(5)
All Other Funds:	88	93	5
TOTAL:	114	114	0

Agency Mission

The New York State Office for the Aging (SOFA) is responsible for promoting, coordinating, and administering the state, federal, and local programs and services for New Yorkers who are 60 years of age or older. SOFA provides leadership and direction to 59 area agencies on aging, as well as to numerous other local programs and providers that comprise the network of services to older adults.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a proposal to reduce funding for the Naturally Occurring Retirement Communities (NORC) program and the Neighborhood NORC program; and
- a proposal to discontinue State funding for Regional Caregivers Centers of Excellence Program.

Budget Detail

The Executive proposes an All Funds appropriation of \$242,464,100, a net increase of \$355,000 from the SFY 2011-12 level. The Executive recommends funding support of 114 full-time equivalent positions, reflecting no change from the previous year.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$14,187,600, a decrease of \$73,000 from the SFY 2011-12 level.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$228,276,500, an increase of \$428,000 from the SFY 2011-12 level.

Proposed Increases

The Executive proposes an appropriations increase of \$428,000, attributed to the increase in federal funding to expand on New York's Aging and Disability Resource Center (ADRC) model offset by reductions for administrative efficiencies and other program reductions.

Proposed Decreases

The Executive proposes:

- a reduction of \$6,677,000 related to the elimination of the human services Cost of Living Adjustment for SOFA programs;
- a reduction of \$457,000 to the NORC and the Neighborhood NORC programs; and
- a reduction of \$115,000 related to the elimination of funding for the Regional Caregiver Centers of Excellence program.

Article VII

The Executive proposes language in Article VII that would make various technical changes to the Elderly Pharmaceutical Insurance Coverage (EPIC) Program.

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Federal	4,750,000	4,750,000	0	0.0%
Enterprise	10,000	10,000	0	0.0%
Total for AGENCY SUMMARY:	4,760,000	4,760,000	0	0.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	18	18	0
TOTAL:	18	18	0

Agency Mission

The New York State Developmental Disabilities Planning Council (DDPC) is fully funded under the Federal Developmental Disabilities Assistance and Bill of Rights Act. The Act, originally signed into law in 1975, authorizes the DDPC to prepare, implement, and monitor a plan for improving the quality of life for people with developmental disabilities. The DDPC monitors contracts with not-for-profit service providers that work with consumers, helping them achieve community integration.

Budget Detail

State Operations

The Executive proposes an All Funds appropriation of \$4,760,000, which is unchanged from the State Fiscal Year 2011-12 level. The staffing will remain constant at 18 full-time equivalent positions.

DEPARTMENT OF HEALTH

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	30,453,664,815	32,183,088,915	1,729,424,100	5.7%
Special Revenue-Other	13,149,311,900	13,010,199,900	(139,112,000)	-1.1%
Special Revenue-Federal	63,269,474,000	63,697,167,000	427,693,000	0.7%
Capital Projects Fund	15,600,000	15,600,000	0	0.0%
Federal Capital Projects Fund	74,833,000	24,146,000	(50,687,000)	-67.7%
Total for AGENCY SUMMARY:	106,962,883,715	108,930,201,815	1,967,318,100	1.8%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	1,703	1,823	120
All Other Funds:	3,297	3,297	0
TOTAL:	5,000	5,120	120

Agency Mission

The Department of Health (DOH) is the designated state agency responsible for promoting and supervising public health activities, ensuring sound and cost-effective medical care, reducing infectious diseases, and directing a variety of emergency preparedness initiatives. DOH has worked towards its goal of ensuring the highest quality, most appropriate, cost-effective health care for all New Yorkers. Since State Fiscal Year (SFY) 1996-97, when authority for the state's Medical Assistance (Medicaid) program was transferred from the former Department of Social Services, DOH has served as the principal state agency responsible for coordinating with federal and local governments, health care providers and program participants on behalf of the Medicaid program in New York.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- the continuation of the Medicaid spending cap enacted in SFY 2011-12 that limits growth in DOH State Funds Medicaid spending to the 10 year rolling average of the Medical Consumer Price Index, currently estimated at four percent. DOH Medicaid expenditures are capped at \$15,326,576,000 in SFY 2011-12; and would be capped at \$15,939,663,000 in SFY 2012-13 and \$16,590,763,000 in SFY 2013-14;
- a cost neutral package of reforms that was developed through the Medicaid Redesign Team workgroup process, including new investments in health care delivery balanced by savings resulting from improvements in benefits design, more appropriate treatment outcomes and other Medicaid program reductions;
- the state assumption of the growth in the local share of Medicaid over a three-year period beginning in SFY 2013-14. The Executive proposal would save localities \$61,100,000 in SFY 2013-14 and \$1,170,000,000 over the next five State Fiscal Years;
- authorization for the Commissioner of Health to take all actions necessary to transfer administration of the Medicaid program from local social service districts to DOH over a multi-year period;
- the establishment of a New York Health Benefit Exchange in accordance with the federal health care reform law (Patient Protection and Affordable Care Act);
- a modification of the Early Intervention (EI) program to require commercial health insurance to include EI service providers in their networks, to establish a central fiscal intermediary for the EI program, and to reduce, over time, the local share of EI program costs;
- a proposal to eliminate the planned cost of living adjustments (COLA) payments for all human services programs; and
- the establishment of an Electronic Death Registration System (EDRS) to update and modernize the administrative process of filing death records.

Budget Detail

The Executive proposes an All Funds appropriation of \$108,930,201,815, a net increase of \$1,967,318,100, or 1.8 percent, from SFY 2011-12 appropriation levels.

The Executive requests the following:

- General Fund appropriations totaling \$32,183,088,915, a net increase of \$1,729,424,100, or 5.7 percent, from SFY 2011-12 levels;
- Special Revenue Fund appropriations totaling \$13,010,199,900, a net decrease of \$139,112,000, or 1.1 percent, from SFY 2011-12 levels; and
- Special Revenue Fund-Federal appropriations totaling \$63,697,167,000, a net increase of \$427,693,000, or 0.7 percent, from SFY 2011-12 levels.

The Executive recommends funding to support 5,120 full-time equivalent (FTE) positions, an increase of 120 positions. This increase in staffing is intended to support the state's multi-year assumption of Medicaid program administration from local social services districts.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,230,719,100, a decrease of \$20,204,000, or 0.9 percent, from the SFY 2011-12 levels.

The Executive proposes to realign DOH administrative operations by eliminating the Office of Long Term Care and transferring its functions to the Office of Health Insurance Programs and the Office of Health Systems Management.

Proposed Decreases

The Executive proposal includes a reduction of \$3,031,000 related to reduced lease costs, procurement costs and other administrative costs.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$106,659,736,715, a net increase of \$2,038,209,100, or 1.9 percent, from SFY 2011-12.

Proposed Increases

The Executive proposes an increase of \$1,207,000 Child Health Plus (CHP) expenditures related to requiring CHP to provide coverage for EI services.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$5,000,000 in support for the Tobacco Prevention and Control Program; and
- a decrease of \$4,682,000 related to the elimination of the planned 3.6 percent COLA for various for human services programs.

In addition, the Executive proposes to modify the EI program to require commercial health insurance to include EI service providers in their networks, to establish a central fiscal intermediary for the EI program, and to reduce, over time, the local share of EI program costs. A state savings of \$4,427,000 is associated with this proposal but will not be realized until SFY 2013-14.

Medical Assistance (Medicaid) Program and Health Care Reform Act (HCRA)

The Executive budget includes total Medicaid spending of \$54,038,898,000 a decrease of \$136,129,000 from SFY 2011-12. State share DOH Medicaid expenditures are projected to comprise \$15,911,663,000 of overall Medicaid spending, an increase of \$585,087,000, or 3.82 percent, from SFY 2011-12. To support projected expenditures in SFY 2012-13 and SFY 2013-14, the Executive proposes a two-year Medicaid appropriation totaling \$100,240,433,000.

HCRA was last extended through March 31, 2014 and is projected to remain balanced through SFY 2016-17. In SFY 2012-13, HCRA receipts are projected to total \$6,029,000,000, an increase of \$670,000,000 from SFY 2011-12. HCRA disbursements are also projected to total \$6,029,000,000, an increase of \$511,000,000 from SFY 2011-12.

Medicaid Global Cap

The Executive proposes the continuation of the Medicaid spending cap enacted in SFY 2011-12 that limits the growth of DOH State Funds Medicaid spending to the 10 year rolling average of the Medical Consumer Price Index, currently estimated at four percent. DOH Medicaid expenditures are capped at \$15,326,576,000 in SFY 2011-12 and \$15,939,663,000 in SFY 2012-13. The Executive proposes to extend the global cap for one additional year and caps SFY 2013-14 DOH Medicaid expenditures at \$16,590,763,000. The Executive also continues the authorization for DOH to reduce payment rates and benefits in the event that Medicaid expenditures are projected to exceed the global cap.

State Assumption of Local Medicaid Expenditure Growth

On January 1, 2006, the state implemented a cap on the local share of Medicaid expenditures, and assumed the full local share of Family Health Plus (FHP) expenditures. In calendar year 2006, local Medicaid contributions were capped at 3.5 percent growth over 2005 expenditures. The growth rate dropped to 3.25 percent in 2007 and to 3.0 percent for 2008 and each year thereafter.

The Executive proposes that the state assume, at a rate of one percent per year, the growth in the local share of Medicaid over a three-year period beginning in SFY 2013-14. The annual growth rate in the Medicaid local share would be eliminated by SFY 2015-16. The Executive proposal would save localities \$61,100,000 in SFY 2013-14 and \$1,170,000,000 over the next five State Fiscal Years.

State Assumption of Local Medicaid Administration

The Executive Budget would authorize the Commissioner of Health to take all actions necessary to transfer administration of the Medicaid program from local social service districts to DOH over a multi-year period. The first year of this proposal would provide a net state share reduction of \$8,500,000, reflecting:

- an increase of \$14,500,000 related to an expansion of the State Enrollment Portal;
- an increase of \$5,000,000 related to the hiring of 120 new FTEs at DOH to support Medicaid administration activities;
- a decrease of \$23,000,000 related to a limit on local reimbursement for Medicaid administration that was achieved by capping such expenditures at SFY 2011-12 levels; and
- a decrease of \$5,000,000 related to other administrative savings.

Medicaid Redesign Team (MRT) – Phase II Recommendations

The Executive Budget continues the implementation of the 78 MRT proposals that were enacted as part of the SFY 2011-12 budget. Following its enactment, the MRT established a variety of workgroups to analyze potential options for additional Medicaid reforms. The Executive proposes a cost neutral package that was developed through the MRT workgroup process, including new investments in health care delivery balanced by savings resulting from improvements in benefits design, more appropriate treatment outcomes and other Medicaid program reductions. The Executive also intends to seek Federal approval of a new Medicaid waiver that would redirect Federal Medicaid funding over a five-year period to support ongoing efforts to restructure the state's health care delivery.

Basic Benefit Review Workgroup

The SFY 2012-13 Executive Budget includes recommendations that provide reductions of \$19,400,000 that are offset by \$4,250,000 in spending reallocations, resulting in a net decrease of \$15,150,000 in state share spending in SFY 2012-13. The Executive proposes the following reductions:

- eliminate coverage for growth hormone for the treatment of idiopathic short stature (\$5,000,000 reduction in SFY 2012-13); expand podiatrist coverage to include private office services for adults (\$2,200,000 reduction in SFY 2012-13);
- expand coverage for specially trained lactation consultations (\$4,200,000 reduction in SFY 2012-13);
- expand podiatrist coverage to include private office services for adults (\$2,200,000 reduction in SFY 2012-13);
- eliminate certain low back pain related services (\$3,850,000 reduction in SFY 2012-13);
- reduce payment for elective c-sections and labor inductions that are performed less than 39 weeks without a clear medical indication (\$2,500,000 reduction in SFY 2012-13);
- eliminate coverage for Percutaneous Coronary Intervention (Angioplasty) in certain circumstances (\$1,450,000 reduction in SFY 2012-13); and
- limit coverage of arthroscopy for the knee for osteoarthritis (\$200,000 reduction in SFY 2012-13).

The reductions will be offset by an increase of \$4,250,000 to provide reimbursement tobacco cessation services by dentists.

Health Disparities Workgroup

The SFY 2012-13 Executive Budget includes \$6,110,000 in new initiatives, including:

- an increase of \$2,500,000 to expand services to promote maternal and child health;
- an increase of \$1,350,000 to improve language access by providing Medicaid reimbursement for interpretation services;
- an increase of \$1,050,000 to promote Hepatitis C care and treatment;

- an increase of \$1,000,000 to expand data collection on health disparities; and
- an increase of \$210,000 to promote coverage harm reduction materials.

Managed Long Term Care Workgroup

The SFY 2012-13 Executive Budget includes an investment of \$500,000 to support improvements in the fair hearing system related to the transition of fee for service enrollees to managed long term care and other care coordination programs.

Payment Reform and Quality Measures Workgroup

The SFY 2012-13 Executive Budget includes an investment of \$50,000,000 to invest in rate increases to support safety net providers, including short term rate increase for essential community providers and long term rate increases for vital access providers as defined by the Workgroup.

Program Streamlining and State/Local Responsibilities Workgroup

The SFY 2012-13 Executive Budget includes \$4,500,000 in new initiatives, including:

- an increase of \$2,000,000 to modernize and automate the Medicaid eligibility system;
- an increase of \$1,500,000 for enrollment assistors for disabled Medicaid applicants; and
- an increase of \$1,000,000 to invest in an automated asset verification system.

Workforce Flexibility/Scope of Practice Workgroup

The SFY 2012-13 Executive Budget includes an investment of \$500,000 to establish the Primary Care Service Corps Loan Repayment Program for non-physician practitioners who agree to practice full-time in an underserved area of the state.

Additional Reductions

The SFY 2012-13 Executive Budget proposes \$46,800,000 in additional reductions, including:

- the elimination of the right of spousal refusal related to Medicaid long term care service eligibility (\$34,300,000 in reductions in SFY 2012-13); and
- the reallocation of Medicaid inpatient reform transition pool funding to support the recommendations of the Payment Reform and Quality Measures Workgroup (\$12,500,000 in reductions in SFY 2012-13).

Capital Projects

The Executive provides capital appropriations totaling \$39,746,000, a reduction of \$50,687,000 from the SFY 2011-12 level to reflect the loss of federal Safe Drinking Water program funds.

While there are no new appropriations for the Health Care Efficiency and Affordability Law of New York (HEAL NY) program in the Executive Budget, the Governor proposes to make \$25,000,000 in prior-year HEAL NY funding available to the Roswell Park Center Cancer Institute (RPCI). As a condition to receiving state funds, RCPI will be required to take initial steps to become operationally and fiscally independent from State funding by March 31, 2014.

Article VII

PART A – Early Intervention (EI) Program

The Executive recommends Article VII legislation that would:

- require EI program evaluators to belong to the provider network of the parents' HMO or other insurer; and require EI service coordinators to notify the Office of Persons with Developmental Disabilities (OPWDD) if a child may be eligible for OPWDD services;
- authorize representatives of third party payors to attend meetings at which the Individualized Family Service Plan (IFSP) is developed and require that the EI service coordinator implement the IFSP in a timely manner;
- require children referred to the EI program on or after January 1, 2013, and who have third party insurance, to select a provider approved by the Department of Health (DOH) within their network, except under certain circumstances;
- allow New York State to increase the percentage of state reimbursement to municipalities for EI respite services, at the discretion of DOH and with Division of the Budget (DOB) approval;
- shift responsibility for notifying the Committee on Preschool Special Education of the potential transition of the child to the preschool special education system from the municipality's EI official to the service coordinator, and remove State Education Department authority to approve providers for the EI program that provide services in the Preschool Special Education Program;
- clarify that approved providers may be required to enter into an agreement with DOH regarding evaluations, service coordination and EI services, and require all approved evaluators and EI providers to maintain contracts with a sufficient number of insurers;

- remove the authorization for municipalities to contract with EI providers and require service coordinators to provide performance reports to municipalities;
- modify EI service reimbursement provisions for children without third party payor insurance and amend provisions regarding State reimbursement to municipalities for EI services, including authorizing an increase in the percentage of state aid reimbursement to municipalities for EI services with DOB approval;
- authorize DOH to contract with a fiscal agent for the payment of EI claims in an expedited manner and without competitive bid or request for proposal application, provided certain information is made available;
- require EI providers to bill third party payors directly through a fiscal agent, and require that rates for EI services be negotiated between the insurer and providers, except for out-of-network providers, which would be paid at the state established rate;
- require the Child Health Plus program to cover EI services;
- require third party payors to make available an adequate number of EI service providers, consistent with EI program enrollment; and require third party payors to make the list of EI providers publicly available and to review it quarterly;
- prohibit third party payors from denying EI service claims; provide that covered EI services do not count toward an established maximum annual or lifetime monetary limit but are subject to an insurer's policy or visit limitations; require insurance providers to inform municipalities and service coordinators on the extent of benefits within 15 days; and require insurers to accept claims submitted by the state's fiscal agent on a provider's behalf; and
- authorize insurers to negotiate rates for payments to providers; require payments to out-of-network providers to be paid at rates established by DOH; and, require insurance providers to inform municipalities and service coordinators on the extent of benefits available to a covered person.

Part B – Roswell Park Cancer Institute (RPCI)

The Executive recommends Article VII legislation that would require the Institute as a condition of receiving state funding authorized under the HCRA and HEAL-NY, to become financially and operationally independent from the Department of Health by March 31, 2014, and authorize the Commissioner of Health to establish benchmarks, monitor progress and ensure compliance with established goals and timelines.

Part C – Electronic Death Registration System (EDRS)

The Executive recommends Article VII legislation that would authorize the DOH to design, implement, and maintain an EDRS for counties outside of the City of New York, (which already operates an EDRS) in order to update the State’s system of filing and maintaining information and documents related to the registration of death.

Part D – Medicaid Redesign Team Recommendations

The Executive recommends Article VII legislation that would:

- allow for the re-investment of Medicaid savings from hospital and nursing home closures or bed de-certifications to expand supportive housing and related services;
- authorize assisted living programs to contract with multiple long term home health care programs, certified home health agencies and/or other qualified providers and eliminate authority to establish assisted living program beds following the decertification of an equal or greater number of nursing home beds;
- expand Medicaid program coverage to the following services: podiatry visits for adults with diabetes mellitus, services provided by certified lactation consultants to pregnant and postpartum women, harm reduction counseling and services, and services to promote care coordination and integration for individuals with hepatitis C;
- require that certain pharmacies provide translation or other language services to individuals with limited English proficiency;
- require coordination of services by community based organizations among providers and plans using health information technology and uniform screening criteria for perinatal risk;
- authorize the Commissioner of Health (COH) to promote education, outreach and enrollment assistance for aged, blind and disabled Medicaid applicants;
- establish the Primary Care Service Corps Loan Repayment Program for non-physician practitioners who agree to practice full-time in an underserved area of the state;
- authorize the COH to temporarily suspend or limit an operating certificate of a not-for-profit corporation participating in the Medicaid program and to make certain changes to the board of directors, if there are repeated violations of certain provisions of Public Health Law or a member of the board is indicted or convicted of a felony;
- allow the COH to establish a temporary operator of an adult care facility, a general hospital or a diagnostic and treatment center when a statement of deficiencies has been issued by

DOH and upon a determination by the Commissioner that significant management failures exist in the facility;

- extend the ability of the Dormitory Authority of the State of New York to establish one or more subsidiaries for purpose of limiting the potential liability of the Authority when exercising its powers and duties in pursuit of remedies against a borrower that has defaulted;
- allow monies of the Medical Indemnity Fund that are not required for immediate use to be invested in obligations of or guaranteed by the United States, with the proceeds of any such investments retained by the Fund;
- eliminate the requirement that hospitals submit and DOH audit information related to certain hospital medical staff, which is audited by the federal government;
- eliminate the requirement that providers issue written notice to DOH for repair or maintenance projects under \$6 million;
- authorize DOH to establish certain disproportionate share payments to Article 28 hospitals based on uninsured and Medicaid losses to conform to guidance received from the federal Centers for Medicare and Medicaid Services;
- provide technical changes to replace references to the Elderly Pharmaceutical Insurance Coverage panel, which no longer exists, with references to the COH and modify federally established benchmark premium;
- eliminate the requirement that in order for a nursing home to receive bed reservation payments at least 50 percent of its eligible residents must be enrolled in a Medicare Advantage Plan and authorize the COH to promulgate regulations establishing rates for bed reservation payments for residents over 21 years of age to achieve aggregate savings of at least \$40 million;
- clarify that allocations for home care workforce recruitment and retention funds shall be made “up to” the amounts specified in existing language;
- deny prior authorization when the existing limit of four opioids prescribed within 30 days is exceeded if, upon reasonable opportunity for the prescriber to present a justification, DOH determines the prescription is not medically necessary;
- include additional school districts and social services districts outside of New York City in sharing state of savings realized as a result of the use of certified public expenditures in relation to school supportive health services;

- allow mandatory generic authorization requirements for drugs subject to the Preferred Drug Program;
- simplify the information that must be made available on DOH's website regarding meetings of the Pharmacy and Therapeutics Committee;
- limit the Medicaid co-insurance for Medicare covered Part B services when the total co-insurance amount would exceed the amount Medicaid would have paid using a Medicaid rate for all qualified individuals, not just persons who are dually eligible for Medicaid and Medicare;
- allow diagnostic and treatment centers access to funds under the HEAL-NY program for the purpose of facilitating closures, mergers or restructuring of such facilities;
- clarify the existing six-year statute of limitations on audits under the HCRA and limit the time for providers to make amendments to their cost reports to the same six-year period;
- extend the COH's regulatory authority to limit reimbursement to outpatient settings for potentially preventable conditions;
- require electronic reporting and certification of reports by providers for the health facility cash assessment and hospital quality contributions;
- permit licensed home care service agencies that contract with local districts to temporarily serve Medicaid recipients who transition to fee-for-service from managed care or managed long-term care;
- clarify provisions requiring managed care plans and managed long term care plans to offer the consumer directed personal care program to their enrollees;
- require counties operating a mandatory Medicaid managed care program to use the enrollment broker;
- eliminate the requirement that an applicant to operate managed long-term care plans be a hospital, licensed or certified home care agency, health maintenance organization or not-for-profit organization with a history of providing or coordinating health care and long-term care services to elderly and disabled persons;
- eliminate "spousal refusal" by prohibiting a spouse or parent from refusing to contribute any available income or assets towards the costs of health care services being provided to a spouse or family member to reduce Medicaid financing of long-term care services;
- extend for one year the authorization for the Commissioner to implement a Medicaid Savings Allocation Plan to maintain spending within the Medicaid spending cap and to

allow the Director of Budget to modify the cap to reflect reductions in local district claims for Medicaid administration, consistent with the phased takeover by the state of local government Medicaid administration;

- eliminate the unintended local government impact associated with the across-the-board reduction in the EI program payments, avoiding a duplicative rate reduction on such payments;
- modify the timing of election revocations to be effective on a monthly rather than a quarterly basis;
- authorize the COH to promulgate regulations relating to grants awarded through DOH's Empire Center for Research and Investigation Program for periods on and after April 1, 2013; and
- clarify that local governments cannot claim overburden expenses incurred prior to January 1, 2006, when the "local cap" statute that limited local contributions to Medicaid expenditures took effect.

Part E – New York State Health Benefit Exchange

The Executive recommends Article VII legislation that would establish the New York Health Benefit Exchange as a public benefit corporation that will serve as a marketplace for the purchase and sale of qualified health plans in the State of New York, in accordance with the federal health care reform law.

Part F – Local Medicaid Takeover

The Executive recommends Article VII legislation that would:

- provide for a phased-in state assumption of the three percent growth in the local share of Medicaid expenditures for all counties and New York City, at a rate of one percent per year, and modify the Department of Health Medicaid State funds spending cap to allow for increased state spending on local government Medicaid relief beginning on April 1, 2013;
- allow Monroe County to opt into the local Medicaid cap in lieu of a sales tax intercept by January 1, 2013;
- authorize the Commissioner of Health to take actions necessary to transfer administration of the Medicaid program from local social service districts to DOH, transition certain local district employees to the DOH, and contract with local governments;
- cap state reimbursement of local government Medicaid administration, and allow the state to further reduce the administrative cap to account for the reduction in local government

administrative responsibilities, consistent with the state's assumption of the administration of the Medicaid program;

- authorize the Department of Health to assume sole responsibility for commencing Medicaid recovery actions and proceedings; and
- eliminate the annual reconciliation of local government Medicaid expenditures effective April 1, 2015.

Part G – Extension of Medicaid Initiatives

The Executive recommends Article VII legislation that would:

- extend certain provisions of the preferred Drug Program until June 15, 2019; and
- extend certain hospital rate adjustments for potentially preventable re-admissions and negative outcomes until March 31, 2013.

State Entity Mergers

The Executive recommends Article VII legislation that would:

- merge the Breast and Cervical Cancer Detection and Education Program Advisory Committee and the Ovarian Cancer Information Advisory Committee to create the Breast, Cervical, and Ovarian Cancer Detection and Education Program Advisory Council; and
- merge the four related emergency medical services boards: the State Emergency Medical Services Council, the State Trauma Advisory Committee, the Emergency Medical Services for Children Advisory Committee, and the State Emergency Medical Advisory Committee, to create the NYS Emergency Medical Services Advisory Board.

MEDICAID INSPECTOR GENERAL, OFFICE OF THE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	29,577,000	28,461,000	(1,116,000)	-3.8%
Special Revenue-Other	3,700,000	3,700,000	0	0.0%
Special Revenue-Federal	47,076,000	43,726,000	(3,350,000)	-7.1%
Total for AGENCY SUMMARY:	80,353,000	75,887,000	(4,466,000)	-5.6%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	279	253	(26)
All Other Funds:	279	253	(26)
TOTAL:	558	506	(52)

Agency Mission

The Office of the Medicaid Inspector General (OMIG) was created as an independent entity within the Department of Health (DOH) by Chapter 442 of the Laws of 2006. OMIG is responsible for improving and preserving the integrity of the Medicaid program by conducting and coordinating fraud, abuse and waste control activities for all state agencies responsible for services funded by Medicaid. In carrying out its mission, OMIG conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with DOH, the Office for Mental Health, the Office for People With Developmental Disabilities and the Office of Alcoholism and Substance Abuse Services. OMIG also works closely with the Medicaid Fraud and Control Unit and with federal and local law enforcement agencies.

Budget Detail

The Executive proposes an All Funds State Operations appropriation of \$75,887,000, a decrease of \$4,666,000, or 5.6 percent, from State Fiscal Year (SFY) 2011-12 levels. The Executive provides funding support for 506 full-time equivalent positions, a decrease of 52 positions from SFY 2011-12 levels, reflecting attrition savings through administrative efficiencies.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$75,887,000, a decrease of \$4,666,000, or 5.6 percent, from SFY 2011-12 levels.

DEPARTMENT OF MENTAL HYGIENE

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
Special Revenue-Other	600,000,000	600,000,000	0	0.0%
Total for AGENCY SUMMARY:	600,000,000	600,000,000	0	0.0%

Agency Mission

The Department of Mental Hygiene (DMH) operates through three independent agencies – the Office of Mental Health, the Office for People With Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services. All three agencies, as direct providers of care, are funded in part by Medicaid, Medicare, third-party insurance, and private payments. Patient revenues in the Patient Income Account (PIA) are pledged first to the payment of debt service on outstanding Mental Hygiene bonds. Anticipated PIA revenue is appropriated within the budgets of the mental hygiene agencies. During the course of the fiscal year, however, additional unanticipated revenue may be received or bond refinancing might decrease debt service requirements. Unanticipated revenue is appropriated to the DMH and then allocated in proportion to the appropriate mental hygiene agency.

Budget Detail

State Operations

The Executive proposes a Special Revenue Fund appropriation of \$600,000,000, reflecting no change from State Fiscal Year 2011-12.

OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	36,878,000	36,878,000	0	0.0%
Special Revenue-Other	396,601,400	396,039,000	(562,400)	-0.1%
Special Revenue-Federal	141,530,000	141,530,000	0	0.0%
Capital Projects Fund	9,560,000	9,560,000	0	0.0%
Mental Hygiene Capital Improvement Fund-389	88,046,000	88,046,000	0	0.0%
Total for AGENCY SUMMARY:	672,615,400	672,053,000	(562,400)	-0.1%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	822	813	(9)
TOTAL:	822	813	(9)

Agency Mission

The Office of Alcoholism and Substance Abuse Services (OASAS) is responsible for the development and management of the state system of addiction services for prevention, treatment, and recovery. OASAS exercises these responsibilities directly as a provider of treatment services through a statewide system of Addiction Treatment Centers through the regulation and oversight of over 1,550 chemical dependence and problem gambling prevention, treatment, and recovery service providers and as a conduit for federal and state financial assistance.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- the elimination of Cost of Living Adjustments (COLA) and trend factor increases for OASAS facilities;
- the creation of 25 new veteran's beds and 12 new residential treatment beds for women with children;
- the creation a Behavioral Health Advisory Council to consolidate the comprehensive planning process for OASAS the Office of Mental Health (OMH);
- additional supportive housing units for the New York-New York III program; and
- improved integration of health and behavioral health services between the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse.

Budget Detail

The Executive proposes an All Funds appropriation of \$672,053,000, a net decrease of \$562,400 from the SFY 2011-12 levels. The Executive recommends funding support of 813 full-time equivalent (FTE) positions, a decrease of nine positions. This reduction will be achieved by controlling vacant positions in OASAS programs.

State Operations

The Executive proposed an All Funds State Operations appropriation of \$116,951,000, a net decrease of \$2,062,400, or 1.7 percent, from the SFY 2011-12 levels.

Proposed Increases

The Executive proposes the following:

- an increase of \$2,454,000 is related to an anticipated increase in federal funding; and
- an increase of \$100,000 related to inflationary adjustments for existing programs.

Proposed Decreases

The Executive proposes the following reductions:

- a decrease of \$500,000 related to the use of available federal funds to support operating costs;
- a decrease of \$400,000 related to controls on vacant positions;
- a decrease of \$400,000 related to fringe benefits and indirect rate adjustments;
- a decrease of \$300,000 related to reduced procurement costs achieved through the Enterprise Service Initiative;
- a decrease of \$200,000 related to strict controls on non-personal services spending;
- a decrease of \$100,000 related to the annualization of prior year initiatives; and
- a decrease of \$100,000 related to salary changes from collective bargaining agreements.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$457,496,000, a net increase of \$1,500,000, or 0.3 percent, from SFY 2011-12 levels.

Proposed Increases

The Executive proposes the following:

- an increase of \$1,500,000 related to the cost of continuing community-based services including chemical dependence and compulsive gambling services and additional funding for supportive housing units;
- an increase of \$1,100,000 to support 25 additional veterans treatment beds; and
- an increase of \$500,000 for to support new beds to serve women with children.

Proposed Decreases

The Executive proposes the following:

- a decrease of \$15,943,000 related to eliminating the planned 3.6 percent COLA for OASAS programs; and

- a decrease of \$1,600,000 related to the annualization of prior year cost containment initiatives.

Capital Projects

The Executive proposes a capital appropriation of \$97,606,000, unchanged from the SFY 2011-12 budget.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the COLA for OASAS providers and develop a system for rate adjustment to be implemented in SFY 2013-14 based on quality measures and actual costs;
- direct agencies to establish limits on reimbursement for administrative expenses and executive compensation;
- permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services; and
- create a Behavioral Health Advisory Council to assume responsibilities from OASAS Service Council and the Office of Mental Health Service Council to consolidate statewide comprehensive planning.

OFFICE OF MENTAL HEALTH

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	421,782,000	421,778,000	(4,000)	-0.00%
Special Revenue-Other	2,863,210,000	2,853,068,000	(10,142,000)	-0.4%
Special Revenue-Federal	53,452,000	53,452,000	0	0.0%
Enterprise	8,606,000	8,606,000	0	0.0%
Capital Projects Fund	37,600,000	42,750,000	5,150,000	13.7%
Mental Hygiene Capital Improvement Fund-389	183,274,000	146,915,000	(36,359,000)	-19.8%
Internal Service Fund	2,610,000	2,597,000	(13,000)	-0.5%
Total for AGENCY SUMMARY:	3,570,534,000	3,529,166,000	(41,368,000)	-1.2%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	15,327	15,327	0
TOTAL:	15,327	15,327	0

Agency Mission

The Office of Mental Health (OMH) works to promote the mental health of all New Yorkers, with a particular focus on providing treatment and recovery services for adults and children with serious mental illness or emotional disturbances. The agency oversees all mental health services in New York State by acting as a direct provider of medium and long-term care at state-run psychiatric centers for both adults and children, by providing diagnostic and treatment services to persons involved in the criminal justice system at state-run forensic psychiatric centers, and by providing

funding, oversight, and certification to community programs operated by local governments, not-for-profit providers, and proprietary providers.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- the elimination of Cost of Living Adjustments (COLA) and trend factor increases for OMH facilities;
- the creation of 1,000 supported new housing units for residents of nursing homes; 5,100 supportive housing beds for individuals currently in adult homes or State Psychiatric Centers; and 3,400 beds for the New York-New York III program;
- the creation of a behavioral health advisory council to consolidate the comprehensive planning process for OMH and OASAS;
- a continuation of OMH authority to consolidate, merge, close or redesign state-operated facilities without providing one-year prior notice;
- the integration of health and behavioral health between the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse; and
- amendments to the Sex Offender Management and Treatment Act (SOMTA) and the Criminal Procedure Law to reduce costs related to the civil confinement of sex offenders.

Budget Detail

The Executive proposes an All Funds appropriation of \$3,529,166,000, a net decrease of \$41,368,000, or 1.2 percent, from the SFY 2011-12 levels. The Executive recommends funding support of 15,327 full-time equivalent positions, representing no change from SFY 2011-12. The Executive proposes the elimination of 110 positions due to attrition or abolition which will be offset by 110 new hires to support programs related to the SOMTA.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,041,067,000 a net decrease of \$10,159,000 from the SFY 2011-12 level.

Proposed Increases

The Executive proposal includes:

- an increase of \$44,886,000 related to fringe and indirect rate adjustments;
- an increase of \$20,900,000 related to program growth in the SOMTA/forensic program; and
- an increase of \$10,500,000 related to inflationary adjustments to existing State Operations programs.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$10,000,000 related to various administrative efficiencies;
- a decrease of \$9,100,000 related to prior year cost containment actions;
- a decrease of \$6,400,000 related to collective bargaining agreements;
- a decrease of \$4,800,000 related to amendments to SOMTA statute which governs the treatment of civilly confined sex offenders;
- a decrease of \$1,400,000 related to amendments to the Criminal Procedure Law related to the treatment of civilly confined sex offenders.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$1,298,434,000, representing no change from the SFY 2011-12 level.

Proposed Increases

The Executive proposal includes an increase of \$34,528,000 related to the annualization of prior year spending actions.

Proposed Decreases

The Executive proposal includes:

- a decrease of \$39,013,000 related to provider performance reviews and other audit recoveries;

- a decrease of \$37,961,000 related to the elimination of COLAs and trend factors for OMH programs; and
- a decrease of \$3,000,000 related to the conversion of residential units into lower cost alternatives.

Capital Projects

The Executive proposes a capital funds appropriation of \$189,665,000, representing a decrease of \$31,209,000, or 14.3 percent, from the SFY 2011-12 level. This decrease is related to a planned decline in bonded appropriations and is partially offset by savings from energy conservation and rehabilitation projects.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the COLA for OMH providers and develop a system for rate adjustments to be implemented in SFY 2013-14 based on quality measures and actual costs;
- direct agencies to establish limits on reimbursement for administrative expenses and executive compensation;
- permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services;
- create a Behavioral Health Advisory Council to assume responsibilities from Office of Alcoholism and Substance Abuse Service Council and the OMH Service Council to consolidate statewide comprehensive planning;
- extend the authority for OMH to administer operating certificates for the comprehensive psychiatric emergency program (CPEP) from July 1, 2012 to July 1, 2016;
- allow OMH to enter into an agreement with the State Education Department to provide educational services for children between the ages of five and twenty-one who reside in OMH hospitals;
- authorize the closures of the Kingsboro Psychiatric Center and Hudson River Psychiatric Center;
- consolidate the Bronx Children's Psychiatric Center, Queens Children's Psychiatric Center, and Brooklyn Children's Center into the New York City Children's Center;

- permit OMH to close, consolidate, or make service reductions to state run facilities after considering certain criteria and providing 30 days public notice of a ward closure or 60 days notice of a facility closure;
- permit OMH to close, consolidate, or make service reductions notwithstanding the Community Mental Health Support Workforce Reinvestment Act;
- permit OMH to contract out for care or security services at SOMTA facilities;
- provide that an offender confined under SOMTA must meaningfully participate in treatment and if not this would constitute a violation of the order of confinement;
- provide that a sex offender who intentionally causes physical injury at a treatment facility would be guilty of assault in the second degree;
- authorize the use of video teleconferencing during certain SOMTA proceedings;
- provide for biennial examinations of sex offenders and petitions for discharge of a civilly committed sex offender;
- allow for defendants that are determined to be incapacitated to be held in psychiatric units of local correctional facilities while receiving treatment from OMH or OPWDD programs; and
- extend the authorization of OMH to recover exempt income for community residence and family based treatment program.

OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	1,430,607,700	1,662,830,000	232,222,300	16.2%
Special Revenue-Other	3,013,345,500	2,952,973,000	(60,372,500)	-2.0%
Special Revenue-Federal	751,000	751,000	0	0.0%
Enterprise	2,668,000	2,657,000	(11,000)	-0.4%
Capital Projects Fund	62,140,000	63,930,000	1,790,000	2.9%
Mental Hygiene Capital Improvement Fund-389	89,855,000	99,610,000	9,755,000	10.9%
Internal Service Fund	350,000	348,000	(2,000)	-0.6%
Total for AGENCY SUMMARY:	4,599,717,200	4,783,099,000	183,381,800	4.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
All Other Funds:	20,700	20,586	(114)
TOTAL:	20,700	20,586	(114)

Agency Mission

The Office for People with Developmental Disabilities (OPWDD) aims to help people with developmental disabilities live richer lives by assisting these individuals in enjoying meaningful relationships with family, friends, and others in their lives; experiencing personal health and growth; and living in homes and fully participating in the communities of their choice. OPWDD currently operates through 13 district offices called Developmental Disabilities Services Offices (DDSOs), which are overseen through the central office. OPWDD also operates the Institute for Basic Research in Developmental Disabilities (IBR) on Staten Island. OPWDD serves approximately 37,000 individuals with developmental disabilities residing in community settings,

an additional 300 individuals living in developmental centers, and 1,000 individuals in special units.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the following:

- a streamlining of the organizational structure of OPWDD to improve management oversight of services by creating regional offices;
- an increase in the hiring qualifications and training standards in state-run programs;
- the creation of 2,300 new non-residential service opportunities for respite, crisis, employment, and community integration programs;
- the elimination of Cost of Living Adjustments (COLA) and trend factor increases for OPWDD facilities; and
- a proposal to permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services.

Budget Detail

The Executive proposes an All Funds appropriation of \$4,783,099,000, an increase of \$183,381,800, or four percent, from SFY 2011-12 levels. The Executive recommends funding support for 20,586 full-time equivalent (FTE) positions, a decrease of 114 from SFY 2011-12.

State Operations

The Executive proposes an All Funds State Operations appropriation of \$2,140,718,000, a decrease of \$10,102,700 from the SFY 2011-12 level.

Proposed Increases

The Executive proposes the following increases:

- an increase of \$57,800,000 is provided to accommodate fringe benefit and indirect cost rate adjustments;
- an increase of \$6,800,000 is provided for inflationary adjustments to existing State Operations programs;

- an increase of \$1,900,000 is included to support salary changes related to collective bargaining agreements; and
- an increase of \$200,000 in federal support is assumed, related to the Assets for Independence Program, fringe benefits and indirect cost rate changes.

Proposed Decreases

The Executive proposes the following decreases:

- a reduction of \$20,000,000 related to anticipated reductions in federal grant awards;
- a reduction of \$7,800,000 as a result of reduced procurement costs from the Enterprise Services Initiative;
- a reduction of \$5,200,000 related to transferring responsibilities for delivering case management and residential service to not-for-profit providers; and
- a reduction of \$2,600,000 related to controlling vacant positions in administration and research.

Aid to Localities

The Executive proposes an All Funds Aid to Localities appropriation of \$2,478,841,000, an increase of \$181,939,500, or 7.9 percent, from the SFY 2011-12 level.

Proposed Increases

The Executive proposes the following increases:

- an increase of \$15,300,000 related to continuing Local Assistance programs, including new non-residential services and supports;
- an increase of \$8,900,000 to support 250 NYS-CARES residential opportunities;
- an increase of \$8,400,000 to support 140 new opportunities for “aging-out” populations; and
- an increase of \$1,200,000 related to 31 new beds to support continuing deinstitutionalization efforts.

Proposed Decreases

The Executive proposes the following decreases:

- a reduction of \$38,743,000 related to the elimination of a planned Medicaid trend factor; and
- a reduction of \$8,761,000 related to the elimination of a planned COLA for OPWDD providers.

Capital Projects

The Executive recommends a Capital Projects appropriation of \$163,540,000, an increase of \$11,545,000, or 7.6 percent, from SFY 2011-12. This increase would support continuing deinstitutionalization efforts and assist residential and day programs to meet life safety code and health facility safety standards.

Article VII

The Executive recommends Article VII legislation that would:

- repeal the COLA for human services providers and develop a system for rate adjustments to be implemented in SFY 2013-14 based on quality measures and actual costs;
- direct agencies to establish limits on reimbursement for administrative expenses and executive compensation;
- permit the Commissioners of the Department of Health, the Office of Mental Health, the Office for People with Development Disabilities and the Office of Alcoholism and Substance Abuse to integrate health and behavioral health services;
- allow OPWDD to establish pilot programs for the "People First 1115 Waiver" and to enter into contracts without a competitive process;
- remove statutory references to Developmental Disabilities Services Offices (DDSO);
- allow the state to create Developmental Disabilities Regional Offices to oversee the administration of services of non-state operated programs and State Operations Offices to provide direct service delivery in state operated programs;
- expand the Commissioner's authority to allow for appointment of all OPWDD employees; and
- transfer the appointment authority for employees of DDSOs to OPWDD's Central Office.

COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

	Adjusted Appropriation 2011-12	Executive Request 2012-13	Change	Percent Change
AGENCY SUMMARY				
General Fund	5,092,000	6,536,000	1,444,000	28.4%
Special Revenue-Other	4,663,000	4,663,000	0	0.0%
Special Revenue-Federal	8,345,000	8,345,000	0	0.0%
Enterprise	45,000	45,000	0	0.0%
Total for AGENCY SUMMARY:	18,145,000	19,589,000	1,444,000	8.0%

ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

Fund	Current 2011-12	Requested 2012-13	Change
General Fund:	44	48	4
All Other Funds:	55	55	0
TOTAL:	99	103	4

Agency Mission

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) provides support and advocacy for individuals with disabilities by working to protect their rights and by promoting the interests and agenda of New Yorkers with disabilities. The Commission provides community outreach, information, referral, and advocacy services, and administers the Surrogate Decision-Making Committee program, which acts on behalf of individuals in the mental hygiene system who are deemed unable to make medical care decisions independently. Additionally, CQCAPD is responsible for exercising independent oversight of the three mental hygiene agencies: the Office of Mental Health (OMH), the Office for People with Developmental Disabilities (OPWDD), and the Office for Alcoholism and Substance Abuse Services (OASAS).

CQCAPD also conducts investigations of allegations of abuse or neglect and any reports of injuries or deaths of persons served within the mental hygiene system.

Programmatic Highlights

The State Fiscal Year (SFY) 2012-13 Executive Budget includes the addition of five investigators to improve CQCAPD's ability to investigate allegations and incidences of abuse pursuant to the preliminary recommendations from the Governor's Special Advisor on Vulnerable Persons.

Budget Detail

The Executive proposes All Funds appropriations of \$19,589,000, a net increase of \$1,444,000 from the SFY 2011-12 level. The Executive recommends funding support of 103 full-time equivalent (FTE) positions, reflecting a net increase of four FTEs from the SFY 2011-12 level.

State Operations

The Executive proposes All Funds State Operations appropriations of \$6,536,000, an increase of \$1,444,000 from the SFY 2011-12 level.

Proposed Increases

The Executive proposes an increase of \$1,444,000 related to a shift of resources from the Office for People with Development Disabilities' ombudsman program to CQCAPD and the re-establishment the Policy Bureau with five new investigators.

Aid to Localities

The Executive proposes All Funds Aid to Localities appropriations of \$648,000, representing no change from the SFY 2011-12 level.