



# Coalition Briefs

## FLASH

BREAKING NEWS ABOUT COMMUNITY MENTAL HEALTH IN NEW YORK

## Health Care Reform Act 2000 agreement reached

### *Includes agreement to spend all tobacco settlement revenues on health care*

Agreement on the Health Care Reform Act extender brought holiday cheer to Albany a little bit early this year. Good will abounded and so did congratulations. "This historic legislation will mean a healthier New York, providing the most comprehensive care plan in the nation for those who need it most," said Governor Pataki. "We are taking the extraordinary initial step to address what has been a growing health care crisis by providing coverage for nearly 1 million uninsured New Yorkers," cheered Assembly Speaker Sheldon Silver. "It also means that a major part of the 2000-2001 budget will already be in place so there is no reason why we cannot have a new state budget completed on time," predicted Senate Majority Leader Joe Bruno.

#### **Support for community-based mental health programs:**

A combination of HCRA pool money and tobacco settlement funds will be made available for new community-based mental health initiatives. As part of the 3½ year, \$9 billion plan, a three-way statement of funding for the Governor's proposed infusion of funds to the mental health system was reached. Over the course of the agreement, which sunsets on June 30, 2003 funding will flow into the mental health system as follows:

- January 1, 2000-December 31, 2000: \$48 million in State funds. This figure assumes an on-time budget agreement.
- January 1, 2001-December 31, 2001: \$87 million in State funds, the local and federal match will bring the total near \$125 million.
- January 1, 2002-December 31, 2002: \$87 million in State funds, the local and federal match will bring the total near \$125 million.
- January 1, 2003-June 30, 2003: \$44 million in State funds. The agreement expires on June 30, 2003.

It is important to note that this is a three-way agreement, not an appropriation. All appropriations will have to be done through the budget process. Also noteworthy is that the agreement also includes a commitment for \$40-42 million in additional funding in the fiscal year 2001 budget for Kendra's Law related services.

#### **Expanded health insurance coverage:**

In addition to ensuring that there will be no Medicaid cuts, the agreement creates Family Health Plus (FHP). Modeled on Child Health Plus, FHP will cover households up to 150% of the Federal Poverty Level (FPL) or single adults up to 100% of FPL: families of four with incomes up to \$25,050, childless families of two with incomes up to \$11,060 and single adults with incomes up to \$8,200. The State anticipates that Statewide 578,023 will be eligible for FHP and 289,011 will enroll. In the City they estimate 190,949 will be eligible and 94,816 will enroll. FHP is estimated to cost \$626 million in State funds and \$277 million in local matching funds. Cost to New York City for FHP through June 30, 2003 is estimated at \$181,387,255, or \$51,824,930 per year.

In addition, the agreement will reduce health insurance premiums for small businesses with up to 50 employees and for those who are self-insured or self-employed. Changes will also be made to the reimbursement structure for hospital's bad debt pool to one based on the number of uninsured patients they treat, targeting extra funding to rural areas.

#### **Health care expansions:**

The three parties also all agreed to spend an additional \$24 million over 3½ years for school-based health clinics, and \$48 million annually for clinic charity care. In addition Commissioner Novella will have available a Priority Pool of \$15 million per year for emerging public health care needs, and the legislature will have an additional \$15 million annually for emerging priorities.

All of this bounty will be paid for by an increase of \$.55 per pack on cigarette taxes and the continuation of the existing Medicaid cost containments for three and a half more years.

The Assembly passed the bill in the early morning hours of December 22<sup>nd</sup>. The Senate is expected to have a special session on Tuesday, December 28<sup>th</sup> to do the same. □