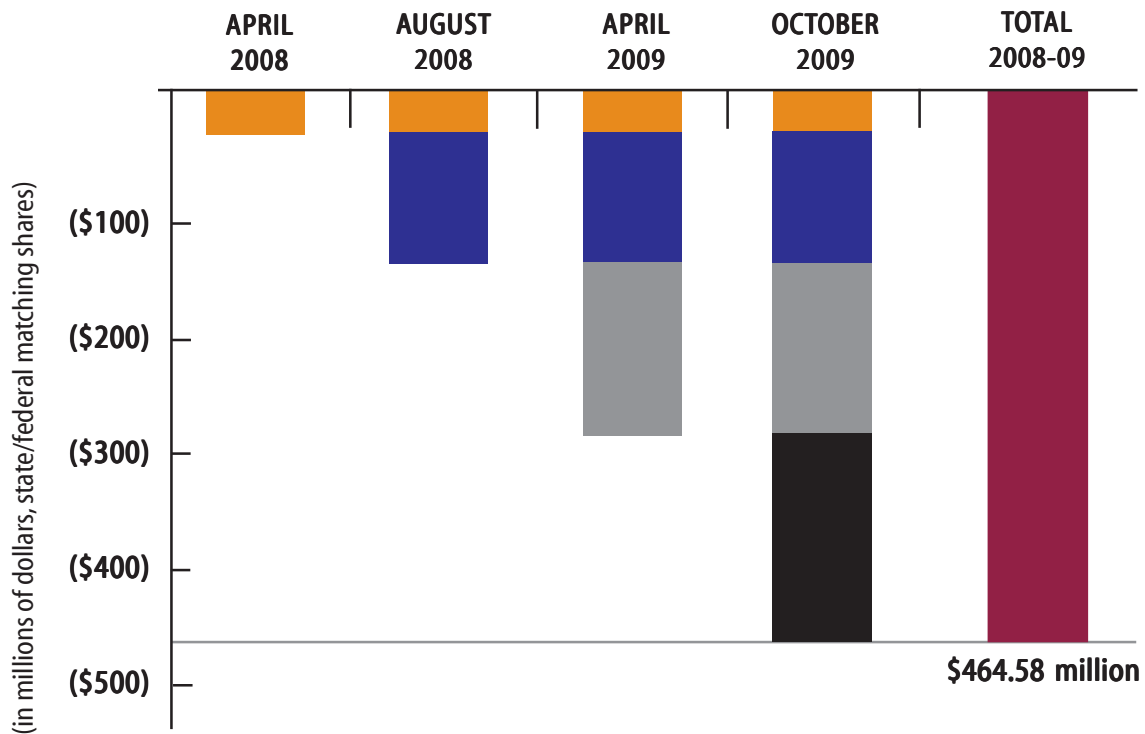


State Budget Medicaid Cuts to Home Care

With Governor Paterson's October 2009 deficit-reduction proposal, State Budget cuts to home care approach a cumulative **half-a-billion dollars** (state/federal matching shares) since April 2008. This does not include the millions of dollars in new costs to providers that have resulted, or will result, from an unprecedented level of unfunded mandates, including: costs associated with aggressive state audit practices, a state mandate that health care employers must provide influenza immunizations for all health care workers, and an enormously costly statewide billing audit mandated by the state following the expiration of a federal program (known as the Third Party Liability Demonstration Project) for efficiently and fairly reconciling payment responsibility for Medicare/Medicaid dual eligible claims.



- April 2008 – Enacted 2008-09 State Budget (\$28 million, state/federal)**
 - 35% Reduction to Trend Factor (CHHA, LTHHCP, PC)

- August 2008 – Enacted Deficit Reduction Plan (\$107.5 million, state/federal)**
 - 1.3 percentage point reduction to 2008 Trend Factor (CHHA, LTHHCP, PC); 1% premium reduction for MLTCs; \$960,000 Upstate workforce money cut

- April 2009 – Enacted 2009-10 State Budget (\$145.08 million, state/federal)**
 - Elimination of remaining 2008 & 2009 Trend Factors and Trend Banking Factors (CHHA, LTHHCP, PC); 0.35% Gross Receipt Tax (all home care); MLTC premium reduction; non-renewal of \$16 million Upstate workforce monies; \$5 million Medicare Maximization targets

- October 2009 – Governor’s Proposed Deficit Reduction Plan (\$184 million, state/federal)**
 - Proposed cuts to home care (\$63.4 million), personal care (\$71.4 million), MLTC (\$38.2 million) and home nursing (\$10.9 million).