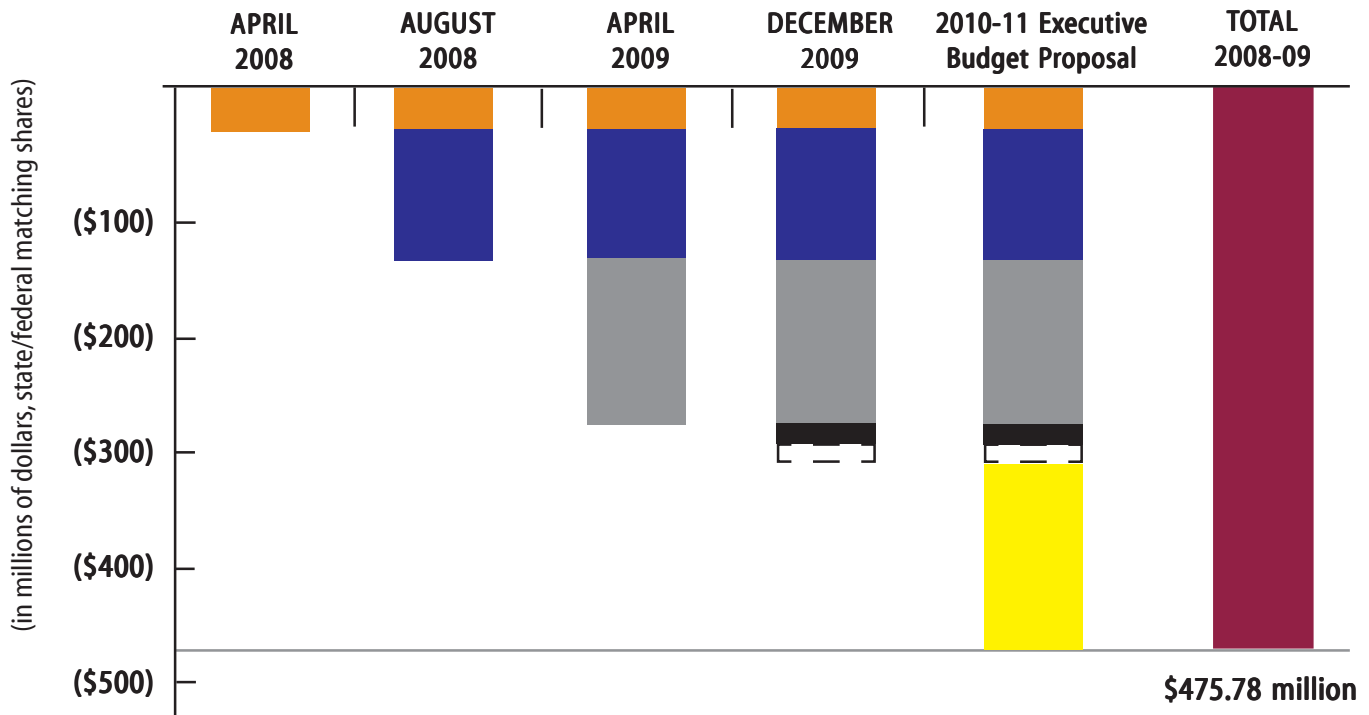


State Budget Medicaid Cuts and Reduction Actions to Home Care



Governor Paterson's 2010-11 Executive State Budget proposal includes approximately \$155.2 million in new state and federal share Medicaid cuts to home care. If enacted, this would bring the total to **\$475.78 million** in cuts and reduction actions since April 2008. (See chart.)



- April 2008 – Enacted 2008-09 State Budget (\$28 million, state/federal)**
 35% reduction to Trend Factor (CHHA, LTHHCP, Personal Care)
- August 2008 – Enacted Deficit Reduction Plan (\$107.5 million, state/federal)**
 1.3-percentage point reduction to 2008 Trend Factor (CHHA, LTHHCP, Personal Care); 1% premium reduction for Managed Long Term Care (MLTC) plans; Upstate workforce money cut by \$960,000
- 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, Personal Care); 0.35% Gross Receipt Tax (all home care); MLTC premium reduction; non-renewal of \$16 million Upstate workforce monies; \$5 million Medicare Maximization targets
- December 2009 – Enacted Deficit Reduction Plan (\$17.4 million, state/federal)**
 Elimination of 2010 Trend Factor for final quarter of current state fiscal year (Jan. 1 to March 31, 2010)
- December 2009 – Enacted Deficit Reduction Plan (\$22.6 million, state/federal)**
 Inclusion of HCA-developed medication pre-fill provision that will further reduce Medicaid spending, though constructively and voluntarily, by an anticipated \$2.7 million in the final quarter of the 2009-10 state fiscal year and by \$19.9 million for the 2010-11 state fiscal year
- PROPOSED 2010-11 Executive State Budget (\$155.2 million, state/federal)**
 Elimination of the Trend Factor (CHHA, LTHHCP, Personal Care); 12-hour-per-day cap on Personal Care Services; Increase in the existing home care Gross Receipts Tax – from 0.35% to 0.7%