OFFICE OF THE STATE COMPTROLLER
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Comptroller's Fiscal Update: Review of the SFY 2011-12 Executive Budget Amendments and Redesign Teams' Recommendations

March 2011

Executive Summary

The budget process for State Fiscal Year (SFY) 2011-12 is well underway, with several milestones reached. On March 1, the Executive and the Legislature reached consensus on an economic and revenue forecast for the current year and the next, and on March 3, the Executive submitted final amendments to the proposed budget.

- The Medicaid Redesign Team (MRT) recommended $2.3 billion in Medicaid savings actions (of the original $2.85 billion assigned), which were incorporated into the Executive's 30-day amendments.
- The Executive also added two-year appropriations for both Medicaid and school aid, to reflect the spending growth cap proposed for each of these areas in the Executive Budget.
- The Executive added budget language to make the prison closure recommendations of the Governor's Prison Closure Advisory Task Force (which has not yet reported) binding on the Commissioner of Corrections.

The Comptroller's report on the SFY 2011-12 Executive Budget identified significant unspecified savings targets as risks to the Financial Plan. The MRT has specified significant Medicaid reductions. However, some uncertainty persists related to revenue projections, Medicaid caseloads, savings targets and the Legislature's willingness to accept some specified cuts and cede authority over others.

The Senate and the Assembly are expected to act on the budget positions for their respective houses, with joint legislative budget conference committees following shortly thereafter. There are positive indications that all parties recognize the fiscal constraints facing the State, and share a common goal of closing the projected deficit with recurring measures and in a manner that improves the State's persistent structural deficit.

Financial Plan Update

On March 1, 2011, the Executive and the Legislature reached consensus on their projections for revenue and the economy. The consensus forecast estimated that tax receipts over the current fiscal year and SFY 2011-12 would be $155 million higher than the Executive's projections. While this higher estimate is not incorporated into the most recent Financial Plan Update, the Executive has indicated it will be factored into budget negotiations.

SFY 2010-11 – Updated With Amendments

Tax revenue collections were overestimated throughout SFY 2010-11 in both the General Fund and in All Governmental Funds, reflecting overly optimistic expectations for the ongoing, but not-yet robust, economic recovery. The latest All Funds tax revenue projections for SFY 2010-11 are more than $1.0 billion lower than projections made in August 2010, when the budget was enacted. According to the latest Financial Plan projections from the Division of the Budget (DOB), All Funds tax collections will total approximately $60.8 billion by March 31, 2011, which is an increase of $3.1 billion or 5.4 percent from SFY 2009-10.

Personal Income Tax (PIT) refunds totaling $500 million were delayed from March 2010 into April 2010 to address a General Fund cash shortfall at the end of SFY 2009-10, making PIT receipts look higher in SFY 2009-10 and lower in SFY 2010-11. Adjusting for these delays, overall growth in tax revenue is projected to end the year approximately 7.2 percent higher than last year, with the majority of the growth occurring in Personal Income Tax.

According to the SFY 2011-12 Executive Budget Financial Plan, Updated for Governor's Amendments and Forecast Revisions, the $315 million General Fund gap first reported in the Mid-Year Update to the SFY 2010-11 Financial Plan has increased by $886 million. This primarily reflects lower-than-anticipated tax receipts, as well as less-than-anticipated dedicated fund balance availability to sweep to the General Fund from the $500 million "blanket sweep" authorization included in the SFY 2010-11 Enacted Budget.[1] These deficiencies are offset by additional utility assessment revenue and additional fund sweeps from other authorizations.

Projected General Fund spending is reduced by $697 million through the end of the fiscal year, although well more than half of this reduction is undefined within both State Operations (86 percent) and local assistance (66 percent) spending. As shown in the charts below, the majority of the anticipated savings are identified by DOB in the Financial Plan as being miscellaneous within the category "Other." It is unclear how these savings will be achieved, or what the programmatic impact will be, given the vagueness of this information. DOB also plans to use $28 million in unrestricted reserves to maintain a General Fund balance without the use of restricted reserves.

[1] An additional $500 million blanket sweep authorization is included in the SFY 2011-12 Executive Budget.

Projected SFY 2010-11 General Fund State Operations Spending Showing Reductions
Mid-Year vs. Third Quarter Financial Plan
(in millions of dollars)

State Operations and General State Charges - General Fund

	SFY 2010-11 Mid-Year Update	SFY 2010-11 Third Quarter Update	Dollar Difference	Percentage Difference	Percentage of Total Difference
Economic Development Government Oversight	59	59	-	0.0%	0.0%
Parks and Environment	230	229	(1)	-0.3%	0.6%
Transportation	1	2	1	108.0%	-1.0%
Health (including DOH Medicaid)	264	236	(28)	-10.7%	28.1%
Social Welfare	361	361	(0)	0.0%	0.2%
Mental Hygiene	6	6	-	0.0%	0.0%
Public Protection/Criminal Justice	3,144	3,149	4	0.1%	-4.2%
Higher Education	1,216	1,229	13	1.1%	-13.3%
Education	47	47	(0)	-0.2%	0.1%
General Government	3,449	3,446	(4)	-0.1%	3.7%
Other	3,479	3,392	(86)	-2.5%	85.9%
Total	**12,257**	**12,156**	**(100)**	**-0.8%**	**100.0%**

Columns may not add due to rounding.

Projected SFY 2010-11 General Fund Local Assistance Spending Showing Reductions
Mid-Year vs. Third Quarter Financial Plan
(in millions of dollars)

Local Assistance - General Fund

	SFY 2010-11 Mid-Year Update	SFY 2010-11 Third Quarter Update	Dollar Difference	Percentage Difference	Percentage of Total Difference
Economic Development Government Oversight	107	107	-	0.0%	0.0%
Parks and Environment	24	22	(3)	-11.4%	0.6%
Transportation	98	98	0	0.4%	-0.1%
Health (including DOH Medicaid)	8,327	8,268	(60)	-0.7%	11.9%
Social Welfare	2,897	2,863	(35)	-1.2%	6.9%
Mental Hygiene	2,219	2,216	(3)	-0.1%	0.6%
Public Protection/Criminal Justice	169	166	(3)	-1.8%	0.6%
Higher Education	2,448	2,451	3	0.1%	-0.6%
Education (including School Aid)	20,293	20,227	(66)	-0.3%	13.1%
General Government	89	88	(0)	-0.2%	0.0%
Local Government Assistance	780	776	(4)	-0.5%	0.7%
Other	296	(36)	(332)	-112.0%	66.2%
Total	**37,748**	**37,246**	**(502)**	**-1.3%**	**100.0%**

Columns may not add due to rounding.

Remaining Risks for SFY 2010-11

While there is less than a month left in the SFY 2010-11 fiscal year, risk, primarily associated with revenue collections, persists. Consequently, additional actions may be necessary to achieve year-end balance in the General Fund.

The Executive's initial Financial Plan released in February lowered SFY 2010-11 year-end General Fund tax collections by $539 million; however, it increased February and

March collections by $388 million. The most recent Financial Plan update lowers SFY 2010-11 projected General Fund tax collections for both February and March by $552 million from the Executive's February estimates. The revised estimates lower overall year-end General Fund collections to a level that is more attainable.

However, year-end projections for business taxes still expect 5.5 percent growth over SFY 2009-10, while business tax collections throughout the year have been below the previous year. In the last month of the fiscal year, the updated Financial Plan anticipates General Fund business tax collections will grow $366 million or over 22 percent from March 2010 collections.[2] Through January 31, General Fund business tax collections have declined 4.1 percent or $149.9 million.

March is the fourth quarter of the State fiscal year, and March collections are expected to exceed those in non-quarter months as quarterly payments come due. In addition, there is a possibility that there may be additional revenues derived from audits. These factors could increase collection results. However, if collections match year-to-date growth rates, a shortfall of approximately $433 million will result.

SFY 2011-12 – Updated With Amendments

The Executive's updated Financial Plan increases projected PIT receipts for SFY 2011-12 by a total of $112 million over February projections and $339 million over projections made in November 2010, primarily due to projections for estimated payments, which are expected to increase 13.6 percent from projected year-end SFY 2010-11 levels. In addition, business taxes are expected to grow 7.7 percent in SFY 2011-12, which may prove optimistic. (As already noted, expected growth of 5.5 percent in SFY 2010-11 is in doubt, as collections have trailed SFY 2009-10 levels throughout the first 11 months of the year.)

DOB increases the projected current services deficit for SFY 2011-12 from mid-year estimates by $975 million, to just over $10 billion. The Executive Budget proposes to close this deficit primarily with spending reductions, totaling $8.3 billion, with 62 percent of the reductions expected to come from Medicaid ($2.3 billion) and education aid ($2.85 billion).

Details regarding the education aid reductions were provided with the Executive's initial proposal. A placeholder was included in the budget to represent the Medicaid savings, and the Executive created, by Executive Order, a Medicaid Redesign Team (MRT) charged with identifying $2.85 billion in proposed Medicaid savings.

On February 24, $2.3 billion in Medicaid savings actions were submitted by the MRT to the Executive. Earlier that day, DOB lowered its estimates for State spending for Medicaid in SFY 2011-12 by $541 million, thereby lowering the amount of the MRT's savings mandate.

A significant amount of the proposed savings in the Executive Budget remains largely undefined, including $1.4 billion in State Operations savings comprising 10 percent

[2] In March 2010, business taxes increased 10.1 percent from March 2009.

agency reductions, $450 million in workforce savings and $100 million from unspecified facility closures, to be determined by a task force for prison closures created by Executive Order. Furthermore, of the $2.3 billion in recommended Medicaid reductions, more than $650 million (almost 30 percent) of the proposals have been previously rejected by the Legislature (see Appendix A).

General Fund and HCRA Gap-Closing Plan SFY 2010-11 through SFY 2014-15
Updated with Amendments
(in millions of dollars)

	SFY 2010-11	SFY 2011-12	SFY 2012-13	SFY 2013-14	SFY 2014-15
November 2010 Current Services Gap	**(315)**	**(9,026)**	**(14,644)**	**(17,232)**	**NA**
Receipt Revisions	(410)	(1,371)	(646)	(873)	
Disbursement Revisions	697	396	345	676	
Other Actions (reserves, etc.)	28	-	-	-	
Gap to be Closed	**-**	**(10,001)**	**(14,945)**	**(17,429)**	**(20,903)**
Medicaid Re-Estimates		**541 ***	**650**	**850**	**850**
Spending Reductions/Savings					
Local Assistance		6,941	10,277	12,329	13,918
Medicaid		*2,309*	*3,707*	*4,302*	*5,038*
School Aid		*2,851*	*4,651*	*6,091*	*6,947*
Other		*1,781*	*1,919*	*1,936*	*1,933*
State Operations		1,374	1,467	1,483	1,478
Total Spending Reductions/Savings		**8,315**	**11,744**	**13,812**	**15,396**
Revenue Actions					
Tax Actions		222	216	216	216
Other Revenue		118	135	88	73
Total Revenue		**340**	**351**	**304**	**289**
Non-Recurring Resources		**805**	**2**	**-**	**-**
Total Actions Toward Deficit	**-**	**10,001**	**12,747**	**14,966**	**16,535**
Remaining Gap After Actions	**-**	**-**	**(2,198)**	**(2,463)**	**(4,368)**

* Includes $66 million in additional federal stimulus funding from certain accelerated payments.

The SFY 2010-11 Enacted Budget relied on non-recurring and temporary resources totaling nearly $16.7 billion, or 30 percent of General Fund spending. The SFY 2011-12 Executive Budget relies on significantly fewer non-recurring or temporary resources for balance, totaling approximately $7.7 billion or 13.5 percent of General Fund spending. The proposal also reduces the cumulative current services General Fund deficit through SFY 2014-15 from $63.3 billion to just over $9.0 billion.

Out-Year Projections

General Fund spending, adjusted for non-recurring spending delays that artificially increased SFY 2010-11 spending levels by approximately $2.06 billion, is projected to grow approximately 5.2 percent on average annually, as compared to 2.7 percent average annual growth in General Fund receipts through SFY 2014-15. Total growth in General Fund spending is projected to increase more than twice as much as General Fund receipts through SFY 2014-15.

Spending from State Operating Funds (adjusted to reflect a reclassification of spending formerly considered federal spending and therefore not counted in State Operating funds) is projected to increase 4.1 percent on average annually, as compared to 3.2 percent for receipts.

All Funds spending, which includes spending financed with federal funds as well as capital spending, is expected to increase 2.2 percent, as compared to 1.1 percent on average annually for receipts.

Projected Annual Percentage Growth in Receipts and Disbursements
SFY 2011-12 through SFY 2014-15

Percentage Growth	SFY 2011-12 Proposed	SFY 2012-13 Projected	SFY 2013-14 Projected	SFY 2014-15 Projected	Total Growth 2011-12 through 2014-15	Average Annual Growth 2011-12 through 2014-15
General Fund Receipts	4.4%	0.4%	4.2%	1.9%	11.2%	2.7%
General Fund Disbursements	7.1%	4.4%	4.5%	4.9%	22.6%	5.2%
State Operating Funds Receipts	4.5%	2.3%	3.9%	2.1%	13.4%	3.2%
State Operating Funds Disbursements	4.6%	5.9%	2.6%	3.4%	17.5%	4.1%
All Funds Receipts	-1.7%	-1.7%	4.0%	5.0%	5.6%	1.4%
All Funds Disbursements	-1.1%	-0.1%	4.0%	6.3%	9.2%	2.2%

Risks Associated with SFY 2011-12 and Beyond

The Comptroller's Report on the SFY 2011-12 Executive Budget identified a number of risks associated with the proposal, including a vulnerable economy, uncertain revenues and optimistic tax assumptions for receipts, as well as more than $4.0 billion in unspecified savings actions. While some of this risk has been mitigated by the work of the MRT, some remains.

While the Executive Budget as adjusted by both the 21-day and 30-day amendments now includes information associated with proposed Medicaid savings, there are still a number of other savings initiatives that are vague at best or completely unknown, such as facility closures and workforce savings. Furthermore, realizing realize such savings in the first year could prove problematic.

Many of the savings proposals that the Executive Budget relies on for balance have been rejected in the past. Furthermore, the Executive proposes language in the appropriation bills that delegates to various officers within the Executive branch unfettered power to make major policy decisions. This language also empowers these unelected officials with the authority to implement these decisions. This includes savings in Medicaid (for example, in the event the providers fail to achieve their $640 million savings target) as well as facility closures. This proposed language must be approved by the Legislature, the very entity that would be relinquishing significant policy-making authority by doing so.

However, if the Legislature and the Executive do not reach agreement on the budget by the April 1 deadline, the Executive might include his proposed reductions in appropriations, and language to implement such reductions, in the emergency spending bills (which are submitted by the Executive to the Legislature to allow State government to continue operating in the absence of an enacted budget), as occurred in 2010. In such case, the Legislature could not delete or amend the language included by the Executive to implement the proposed appropriations. Moreover, without the Executive's consent, the Legislature must act on the Executive's appropriation bills before considering any of its own. Thus, the Legislature would be unable to delete or revise the language in the emergency spending bills unless the deletions or revisions were agreed to by the Executive.

Redesign Team Recommendations

The Executive announced the creation of several teams and task forces to make specific recommendations to achieve savings targets and policy goals outlined in the SFY 2011-12 Executive Budget. Thus far, two of these teams have reported to the Executive, including the Medicaid Redesign Team created by Executive Order 5 and the Mandate Relief Redesign Team created by Executive Order 6.

Medicaid Redesign Team

On February 24, 2010, the Governor's Medicaid Redesign Team (which includes elected officials, private healthcare industry representatives, organized labor, and the heads of various agencies, including the Department of Health (DOH) and DOB) submitted its cost saving recommendations to the Executive. While the original Medicaid savings target for the MRT was $2.85 billion, this was lowered to $2.3 billion based on DOB reestimates of Medicaid State spending.

After the original Executive Budget submission and before the redesign team completed its work, the MRT savings target was lowered by $541 million to $2.3 billion. This reduction resulted from Medicaid spending reestimates for SFY 2011-12 by DOB. These reestimates included lowering projected State Medicaid spending by $475 million, due to slower than previously forecast caseload growth and changes in provider spending patterns. These reestimates also reflected a $66 million increase in anticipated federal matching funds to be achieved by pre-paying certain Medicaid claims before enhanced FMAP funding expires in June 2011.

The largest portion of the $2.3 billion in State savings actions included in the 30-day amendments requires the healthcare industry to identify $640 million in as-yet-unspecified savings measures. If the industry does not meet this goal, there is language included in the Executive's budget proposal to authorize the State, through a plan developed by the Commissioner of Health in consultation with DOB, to reduce Medicaid spending as needed in order to keep overall expenditures below a cap of $15.1 billion in State Medicaid spending in SFY 2011-12.

In addition, the MRT recommends reforming various Medicaid-related payment and program structures to achieve $1.1 billion in State savings. These reforms include establishing a $250,000 cap on damages for pain and suffering in medical malpractice cases, creating a fund to pay for medical expenses in obstetrical malpractice cases involving neurologically impaired infants, expanding the use of Medicaid managed care and enhancing the State's efforts to eliminate Medicaid waste, fraud and abuse.

Other recommendations include a two-percent across-the-board reduction in provider reimbursement rates to save $345 million, and permanent repeal of annual provider inflation adjustments to save $186 million.

Appendix A provides a summary of the MRT savings proposals included in the Executive's 30-day amendments, including a review of whether such proposals have been rejected by the Legislature in the past. Of the $2.3 billion in recommendations, $662 million has been advanced in the past and not enacted by the Legislature.

Mandate Relief Redesign Team

On March 1, 2011, the Governor's Mandate Relief Redesign Team (MRRT), which consists of representatives from statewide municipal, business and labor associations, the State Education Department, and various elected officials, presented its preliminary findings and recommendations for lessening the fiscal burden of unfunded mandates on local governments and school districts.

The MRRT report is characterized as a first step. While the MRRT expects to provide quarterly updates and issue final recommendations by the end of SFY 2011-12, it appears unlikely that substantive mandate reforms will be in place prior to the effective date of proposed legislation that would cap the growth in property tax levies that was advanced by the Executive. Also, there are no savings anticipated in the SFY 2011-12 Executive Budget associated with these recommendations.

The preliminary MRRT report makes recommendations to redesign the current system to end unfunded mandates, address mandate relief cost-drivers, and confront the current burden of State mandates. The report also includes a detailed list of over 100 State agency recommendations that would provide mandate relief. These proposals, which focus on some common themes such as procurement reforms, modernization, and administrative efficiencies, will be considered and evaluated over the coming year by the MRRT.

Summary of 21-Day and 30-Day Amendments

The following provides an overview of the most significant changes included in the Executive's 21-day and 30-day amendments to the SFY 2011-12 Executive Budget.

Health/Medicaid

21-Day Amendments

The 21-day amendments make technical corrections that do not materially alter the Executive Budget proposal.

30-Day Amendments

The 30-day amendments propose $2.3 billion in State savings actions in SFY 2011-12 as recommended by the Governor's Medicaid Redesign Team (MRT), which was created by Executive Order to conduct a comprehensive review of the Medicaid program. (See the Medicaid Redesign Team section of this report for more detail). The amendments also propose two-year appropriations in Medicaid spending, for SFY 2011-12 and SFY 2012-13, to reflect the spending limits proposed by the Executive.

The proposed amendments direct the Commissioner of Health to establish a working group comprising county officials, representatives of the nursing home industry, unions, DOH, DOB, as well as any other interested individuals or representatives, to develop a plan and necessary legislation to establish a new public benefit corporation to operate and manage public nursing homes. The provision requires a report and draft legislation to be submitted to the Executive and the Legislature no later than November 1, 2011.

The 30-day amendments also modify the Medicaid nursing home reimbursement methodology scheduled to take effect on July 1, 2011 by establishing a statewide instead of a regional pricing system. This statewide reimbursement system would be adjusted for regional wages and patient acuity or severity of illness.

In addition, the Executive Budget and 30-day amendments propose to circumvent the State Comptroller's purchasing and contract approval authority by allowing certain agreements to be entered into without following a competitive bidding process.

Education

21-Day Amendments

The 21-day amendments propose new legislation that gives school districts additional flexibility in their use of State aid for reimbursable expenses associated with textbook, library material, and computer software and hardware purchases. Additionally, the Executive's amendments clarify the allocation of the competitive construction ceiling as well as the summer school special education reimbursement as it relates to the county share.

30-Day Amendments

The Executive's 30-day amendments provide for two year appropriations in school aid. These appropriations reflect the specific spending controls originally proposed in the Executive Budget, including limiting future growth to the five-year average of growth in personal income beginning in the 2012-13 school year.

Other Amendments

In addition to the substantive changes already described, the 21-day and 30-day amendments:

- Reduce appropriations for the proposed Department of Financial Regulation (reflecting the merger of the departments of Banking and Insurance, as well as the Consumer Protection Board) by $8.0 million, and revise the definition of "financial fraud" and "financial products and services" to reduce the proposed powers of the new entity.

- Add language to the appropriation bill to require the Commission of Corrections to implement the recommendations of the prison closure task force, including recommended facility closures as well as timeframes.

- Authorize SUNY Downstate Medical Center to enter into a long-term lease agreement with an unspecified not-for-profit entity for Long Island College Hospital.

- Authorize local social services districts to use food stamp, employment, and training funds for child care services under a plan to be developed by the offices of Children and Family Services and Temporary and Disability Assistance, as well as DOB.

- Revise the tax credit amounts in proposed Excelsior Jobs amendments. The maximum cap for years six through ten had been incorrectly calculated by including participants admitted to the program in the first year for the entire ten years of the new proposal, when they would only be eligible for the first five years.

- Amend the tax and criminal procedure laws relating to the classification of diesel fuel to be consistent with federal law.

- Make technical changes to the proposal to reduce the dormancy period for certain abandoned property.

- Make a technical correction to eliminate the $500,000 transfer from NYSTAR to the General Fund.

- Add $20.3 million in reappropriations for federal EPA funds for use by the Center for Environmental Health.

Appendix A

Summary of Medicaid Redesign Team Recommendations

(in millions of dollars)

Proposals	2011-12 Proposed State Savings	Previously Rejected by Legislature
Benefits and Rate Changes	**($1,794.4)**	**($314.3)**
Global spending cap	($640.0)	
Across-the-board rate reduction	($345.0)	
Eliminate inflation adjustments	($186.0)	
Move home health patients to managed care	($100.0)	($100.0)
Reduce managed care rates	($94.0)	
Reduce / reform pharmacy rates	($89.4)	($89.4)
Reform New York City personal care services	($57.0)	($57.0)
Move pharmacy into managed care	($50.0)	
Increase federal support for school health services	($50.0)	
Eliminate private nursing home "return on" and "return of" equity reimbursement	($43.5)	($43.5)
Regional management of transportation services	($30.5)	
Reduce fee-for-service dental payments	($27.7)	
Eliminate managed care direct marketing	($22.5)	
Streamline / cap nursing home rate appeals	($20.0)	
Limit coverage of nutritional supplements	($15.4)	($15.4)
Eliminate physician reimbursement from hospital ambulatory rates	($14.3)	
Limit coverage of prescription footwear	($7.4)	
Convert certain family planning grants to Medicaid	($7.0)	
Eliminate worker recruitment and retention spending	($6.5)	($6.5)
Limit coverage of physical therapy, occupational therapy, speech therapy, etc.	($2.5)	($2.5)
Other	($6.4)	
Increase coverage of tobacco cessation counseling	$0.3	
Establish public health service corps	$1.0	
Implement uniform assessment tool for long-term care services	$1.9	
Expand patient-centered medical home program	$17.4	
Fees and Assessments / Other	**($277.9)**	**($267.4)**
Create a neurologically impaired infant medical indemnity fund and establish a cap on non-economic damages in medical malpractice cases, in addition to exploring other alternatives	($208.5)	($208.5)
Apply HCRA surcharges to physician office-based surgery and radiology services	($57.8)	($57.8)
Align Medicare Part B clinic coinsurance with Medicaid coverage and rates	($8.6)	
Other	($3.0)	($1.1)
Fraud and Abuse	**($93.6)**	**$0.0**
Enhance and improve the State's Medicaid program integrity efforts	($80.3)	
Implement utilization controls on behavioral health clinics	($13.3)	
Consumer-Related	**($86.6)**	**($74.8)**
Centralize estate recovery process in Office of Medicaid Inspector General (OMIG)	($39.0)	($39.0)
Eliminate spousal refusal for legally responsible relatives who are not absent	($28.3)	($28.3)
Reduce inappropriate use of caesarean deliveries and other services	($12.1)	
Increase / impose enrollee co-payments in Medicaid fee-for-service, Family Health Plus and Child Health Plus programs	($7.5)	($7.5)
Decrease incidence and improve treatment of pressure ulcers	$0.4	
Care Management	**($56.6)**	**($5.0)**
Care coordination for high-need, high-cost enrollees	($33.2)	
Expand managed care to many excluded / exempt populations	($10.1)	
Transition adult recipients needing community long-term care services into managed long-term care	($8.3)	
Establish behavioral health organizations to manage behavioral health services not covered under the State's various Medicaid managed care plans	($5.0)	($5.0)
Total Proposed State Savings	**($2,309.0)**	**($661.5)**