resulting from pharmacy reductions, long term care initiatives, and other Medicaid program reductions. The Executive proposal includes:

- **Financial Plan Relief:** a $425 million increase related to shifting previously excluded costs under the global cap. This proposal would bring the total financial plan relief generated by the Medicaid program to $1.76 billion in SFY 2018-19;

- **Outstanding Medicaid Liabilities:** a $220 million increase, including outstanding federal obligations (a $175 million increase); a four-year retroactive repayment of a one percent across-the-board reduction to nursing home reimbursement (a $35 million increase); and the reconciliation of Medicaid Managed Care plan enrollment discrepancies (a $10 million increase);

- **Essential Plan:** a net $281.5 million State Share reduction, including proposals that would fund supplemental payment programs, such as the Value Based Payment Quality Incentive Program (VBP-QIP) and the Equity Infrastructure Performance Program, with Essential Plan Trust Fund balances. To offset these transfers, the Executive would utilize Essential Plan medical loss ratio remittances, reduce plan premiums by four percent, and utilize an expected increase in advanced premium tax credit payments. In addition to supporting the supplemental program transfers, these saving would offset possible shortfalls related to the elimination of federal cost sharing reduction payments under the ACA;

- **Pharmacy Initiatives:** a net $44.83 million reduction, including proposals to limit Medicaid coverage for over-the-counter (OTC) drugs and increase OTC co-payments (a reduction of $11.28 million); eliminate "prescriber prevails" provisions in both fee-for-service Medicaid and Medicaid Managed Care for all drug classes except for atypical anti-psychotics and anti-depressants (a $17.4 million reduction); implement a collaborative comprehensive medication management program between prescribers and pharmacists (a $450,000 reduction); reduce opioid prescribing by 20 percent by improving clinical editing and requiring treatment plans as a condition of opioid prescribing (a $1.1 million reduction); establish a medication adherence program (a $5 million reduction); and establish a rebate risk assessment contract to improve rebate collections (a $10 million reduction). These savings would be partially offset by a $0.08 increase in the pharmacy dispending fee, from a $10 to $10.08, consistent with federal law (a $400,000 increase);

- **Long Term Care Reductions:** a reduction of $173.77 million, including proposals to implement a penalty on poorly performing nursing homes (a $10 million reduction); modify data collection process for nursing home case mix index calculations (a $7.5 million reduction); reduce Managed Long Term Care (MLTC) capitated payments for plan administration (a $18.9 million

reduction); require a continuous 120 days of community-based services for MLTC eligibility (a $4.81 million reduction); raise the minimum Uniform Assessment System score for MLTC eligibility (a $5.83 million reduction); prohibit community based long term care provider marketing and restricting self-referral for services (a $4.93 million reduction); prohibit MLTC plans from contracting with more than 10 licensed home care services agencies (a $13.71 million reduction); implement efficiencies within the social adult day benefit by eliminating contracts with poor performing providers and limiting utilization of these services (a $28.13 million reduction); restrict MLTC enrollees from changing plans for 12 months after initial enrollment, unless they can demonstrate good cause (a $5.23 million reduction); shift MLTC enrollees who have not received home or personal care services, within 30 days of enrollment, to fee-for-service Medicaid or an integrated plan (a $1.24 million reduction); and exclude individuals that need more than six months of nursing home services from the MLTC program (a $73.5 million reduction);

- **Spousal Reductions:** a reduction of $13.51 million, including proposal to eliminate spousal refusal provisions (a $7.81 million reduction); and to reduce the minimum amount of resources a community spouse is allowed to retain, from $74,820 to $24,180 (a $5.7 million reduction);

- **Expand the Availability of Assisted Living Program (ALP) Beds:** an increase of $4.4 million, including proposals to increase the resources needed to review ALP applications; provide authorizations for 1,000 additional beds in areas of the state with limited ALP beds; authorize current ALP providers in good standing to increase a limited number of beds on an expedited basis, and provide for a demonstration program for persons with dementia in non-Medicaid assisted living; and reduce nursing home placements. The Executive would also provide a set-aside of $20 million in capital within the new Essential Health Care Provider Capital program to support ALP program expansions;

- **Other Long Term Care Investments:** an increase of $2.8 million, including proposals to authorize Medicare crossover payments for clinics servicing individuals with a traumatic brain injury (a $440,000 increase); provide for a 10 percent increase in hospice residence rates (an $860,000 increase); and provide rate increases to support improved availability of home and community based services in rural counties (a $1.5 million increase);

- **Medicaid Managed Care (MMC) Reductions:** a reduction of $37 million, including proposals to increase penalties for MMC plans that fail to meet value based payment (VBP) targets (a $10 million reduction); reduce fee-for-service and MMC rates for providers without VBP contracts (a $7.5 million reduction); establish new standards to reduce overutilization of laboratory services (a $7.5 million reduction); require MMC plans to establish a plan for collaborating with performing provider systems (a $2 million reduction); and limit payments for