§ 41.24 Study on alternative to net deficit funding.

On or before April fifteenth, nineteen hundred ninety, the commissioner shall submit to the legislature a study and recommendations for a proposed alternative to net deficit funding established pursuant to article forty-one of this chapter that includes the following:

(a) A cost-related funding methodology which adequately pays for services necessary to provide appropriate care, which recognizes geographic distinctions as they relate to cost and which ensures that providers are reimbursed for the fixed or uncontrollable operational costs such as interest, depreciation, property, capitalized development costs, insurance and reasonable and necessary personnel costs.

(b) A guarantee of minimum maintenance of local government tax levy financial participation at current levels.

(c) A system of incentives to promote the maximization of alternative funding sources including but not limited to contract income and charitable contributions.

(d) An evaluation of the relationship between net deficit funded programs and other non-residential programs, excluding day treatment, and a determination whether or not to incorporate the funding of all such programs into a unified funding methodology.

(e) Information relating to a demonstration project undertaken by the office in certain developmental disabilities services offices to examine possible modifications in the use of medical assistance funding for programs and services pursuant to the provisions of a federal grant. Such information shall include specific recommendations for applying the results of such demonstration project to programs and services operated by voluntary providers.

(f) An examination of the implications of department of mental hygiene consolidated fiscal reporting process and an incorporation, as appropriate, of such implications into the formulation of recommendations.

Such study shall be prepared in conjunction with a council of not more than ten persons which shall include not for profit provider organizations, parents of persons with developmental disabilities, representatives of local government and others to be appointed by the

commissioner.