*** § 2814. Health networks, global budgeting, and health care demonstrations.** 1. For the purposes of this section unless the context clearly requires otherwise:

(a) "Board" shall mean the temporary statewide health advisory board established pursuant to section nine hundred fifty-seven of the executive law.

(b) "Proposal" shall mean a design or plan developed, as a result of funds received pursuant to this section, to operate a network, global budget, or regional health care demonstration.

2. (a) Notwithstanding any inconsistent provision of law, within amounts available therefor, the commissioner shall make grants pursuant to this section to (i) health care providers to facilitate development of health networks or health care demonstrations (ii) health care providers alone or in conjunction with third party payors to facilitate development of global budgets and (iii) an organization demonstrably representing the interests of the region or communities of the region which demonstrate the support of the respective health systems agency to facilitate development of health care demonstrations or global budgets. Such networks, demonstrations, or global budgets shall be designed to improve cost effectiveness of health care services, establish and improve provider coordinated planning and management mechanisms, and/or improve provider management of care or improve continuity of care. Health care providers eligible to receive funding under section twenty-nine hundred fifty-two of this chapter shall not be eligible for grants under this section for development of health networks.

(b) Grants made pursuant to this section shall provide planning funds which may include, but need not be limited to, funding to:

(i) assess the health care needs of the population and develop an operational plan to meet these needs;

(ii) plan for and carry out any organizational changes needed to integrate services; and

(iii) facilitate financing arrangements such as risk sharing and capitation.

3. In awarding grants under this section, the commissioner shall consult with the appropriate local health systems agency and shall

consider the recommendations of the temporary statewide health advisory board on the grant proposals and to the extent practicable assure that there is a sufficiently representative geographic distribution of grantees including rural, urban, and suburban grantees. Grants made pursuant to this section shall be used solely for the planning of health networks, global budgets or health care demonstrations. Prior to awarding grants, the commissioner shall first take into consideration other financial resources available to the applicant to conduct such planning.

4. In order to be eligible for a grant under this section, applicants shall prepare and submit to the commissioner, the temporary statewide health care advisory board, and the respective health systems agency an application which contains the following:

(a) identification of the principal investigator or applicant for the demonstration;

(b) a description of the nature and scope of the activities contemplated;

(c) a description of the geographic area and populations currently served by the entity;

(d) a description of the community or population to be served;

(e) a description of the anticipated benefits and advantages to providers and consumers of services;

(f) a description of the estimated expenses, including administrative expenses, which will be incurred in the development of the demonstration; and

(g) the time frame proposed for the development of the health network, global budgeting demonstration, or health care demonstration.

(h) the process that the eligible organization used in seeking public participation and local involvement in the development of the program plan; and

(i) the goals of the program, including information on how the program plan will maintain and promote access to and delivery of high quality, appropriate health or health related items and services for persons residing in the region covered by the program.

5. Any grant recipient seeking to implement a proposal developed

pursuant to this section, except recipients of health networking grants, shall submit such proposal to the temporary statewide health advisory board, in such form and content determined by the board, which shall evaluate such proposal and consider whether the proposal is likely to:

(a) aid in meeting the priority health needs and concerns in the region as identified in and supported by evidence in the proposal and consistent with recommendations of the regional health systems agency;

(b) enhance the quality of care as evidenced by outcome indicators;

(c) improve the cost-effectiveness of services by the entities involved;

(d) improve the efficient utilization of the entities' resources and capital equipment;

(e) enhance the provision of services that would otherwise not be available;

(f) result in the elimination of unnecessary duplication of resources;

(g) reduce costs to individuals being served by the network;

(h) foster information sharing, communications and cooperation between health care providers; and

(i) foster and improve the management and continuity of care.

6. In addition, the board shall require that the proposal contain assurances that there will be equitable provider involvement in the determination of any rates and rate setting methodology. The board shall also require a description of how the proposed initiative will be evaluated and assurance that the grantee will submit annual reports to the governor and legislature concerning the status and experiences of the initiative.

7. The temporary statewide health advisory board shall forward only proposals recommended for operation to the commissioner for authorization. In granting his authorization, the commissioner shall certify that the proposal will:

(a) improve the cost effectiveness of health care services;

(b) improve the quality of care delivered as evidenced by outcome indicators; and

(c) improve access to appropriate health care services.

8. Upon request by an applicant or grantee the commissioner and the respective health system agency shall provide technical assistance.

9. The commissioner shall submit to the chairs of the senate finance committee and the assembly ways and means committee and the chairs of the assembly and senate health committees, a copy of any proposal authorized by the commissioner pursuant to this section not more than thirty days after approval.

10. With the exception of health networks, global budgets or health care demonstrations that seek to implement alternative reimbursement methodologies in general hospital settings only and/or for ambulatory services associated with general hospital outpatient and diagnostic and treatment center settings regarding payment for the medical assistance program, as provided for in subdivisions ten and eleven of section twenty-eight hundred seven of this article, no health network, global budget or health care demonstration that seeks to implement alternative reimbursement methodologies shall be approved or implemented without approval pursuant to a chapter of the laws to be enacted by the legislature.

* NB Expired June 30, 1996