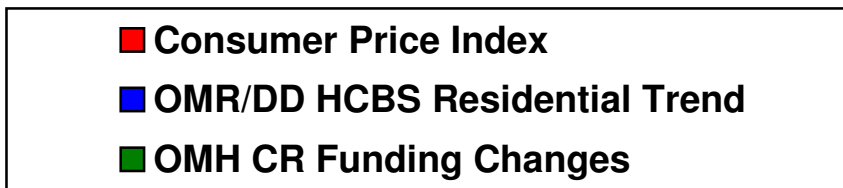
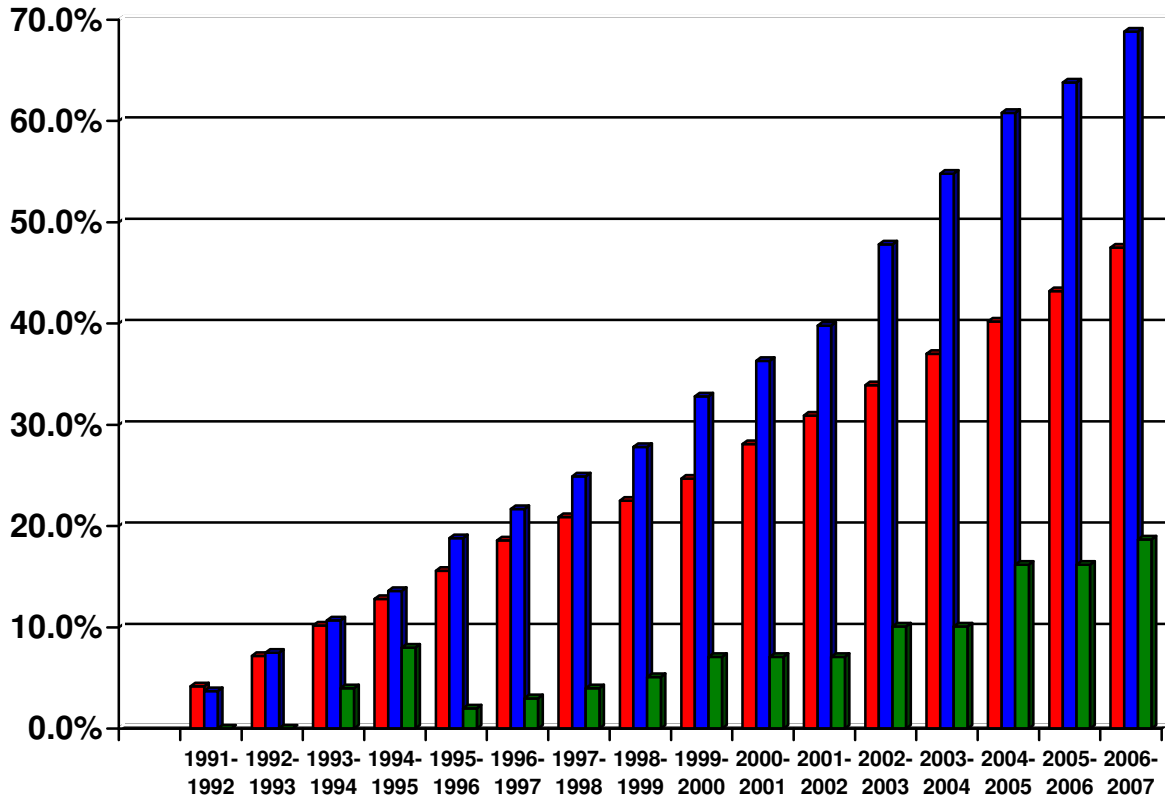




LICENSED RESIDENTIAL FUNDING CHANGES 1991 to 2007 Cumulative Comparison to the Consumer Price Index and the OMRDD HCBS Residential Trend



EXPLANATION OF CHART ONE

1991-1992	0%
1992-1993	0%
1993-1994	+ 4% Governor Cuomo
1994-1995	+ 4% Governor Cuomo
1995	- 6% - CUT equals the total of a 3% cut plus an approximate 3% cut due to a change in funding formula. Governor Pataki
1995-1996	0%
1996-1997	+ 1% Legislature
1997-1998	+ 1% Legislature
1998-1999	+ 1.1% increase (2.5% COLA on salaries only - pro-rated to overall program budget) Legislature
1999-2000	+ 2% Legislature
2000-2001	0%
2001-2002	0%
2002-2003	3% Legislature
2003-2004	0%
2004-2005	6.2 % (12% increase on staff salaries only - pro-rated to overall program budget - approximate) Governor Pataki
2005-2006	0%
2006-2007	2.5% Governor Pataki

Note: The licensed residential programs were made Medicaid reimbursable in 1992 resulting in substantial savings to the state but substantial additional work and potential liability for the agencies.

The state saved 50% of the net deficit funded – state contract amount on all non-property expenses for the programs. At the time, OMH staff assured providers that, since the move to Medicaid only benefited the state, the state would be responsible for any take-backs that resulted from audits.

OMH provided no trainings at the time, and never expanded their compliance activities to include the quality of the financial records related to Medicaid. Only in 2001 did they contribute to a series of training events sponsored by ACL on corporate compliance, during a time of increased rumors about Medicaid audits.