

Medicaid **Medicaid Matters New York** *Matters*

**Testimony to the New York State Legislature
Joint Hearing of the Senate Finance and Assembly Ways and Means Committees
February 2nd, 2015**

2015-2016 Executive Budget on Health/Medicaid

Thank you for the opportunity to address you today. My name is Lara Kassel. I am the Coordinator of Medicaid Matters New York (MMNY), a statewide coalition of over 140 organizations representing the interests of the roughly six million New Yorkers who are served by the Medicaid program. MMNY is unique in that it is the only statewide entity that focuses its advocacy solely on the interests of Medicaid beneficiaries.

As Medicaid Redesign unfolds through the efforts initiated by the Medicaid Redesign Team in 2011 (on which I sat to represent the interests of Medicaid consumers), more and more of the Medicaid program is governed outside the traditional budget-making process. New York's Medicaid program is experiencing a transformation of mammoth proportions through the implementation of the Delivery System Reform Incentive Payment (DSRIP) program, which represents the state's interest in continuing to do away with fee-for-service Medicaid, emphasizing quality outcomes, and paying for value over volume. New York also recently won a multi-year State Innovation Model grant to initiate the State Health Improvement Plan (SHIP) to continue to effectuate the Triple Aim of better care, better outcomes, and lower cost, and further the state's public health goals lined out in the Prevention Agenda.

MMNY wishes to bring the following Executive Budget items to your attention, particularly as they relate to Medicaid beneficiaries:

Medicaid transformation

This year's Executive Budget includes provisions that allow the state to move further down the road of Medicaid Redesign. This includes, for instance, authorization for value-based payment methodologies to allow the state to move closer to nearly universal payment for quality outcomes instead of just reimbursing for services rendered or providing per-member-per-month capitation payment to managed care organizations. MMNY has been generally supportive of Medicaid Redesign, while being vocal about the importance of community engagement and an eye toward how reform of the program impacts on real people and the services on which they rely.

The Governor's budget includes over \$1 billion in new funding for health care restructuring. This is not Medicaid funding (it is money associated with the state's budget surplus), but MMNY is concerned that the allocation upholds a system of acute care rather than investing in the transformations essential to Medicaid redesign. With the current systemic emphasis on shifting the focus of care to community-based settings that provide greater accessibility and promote prevention

and overall wellness, it is regressive and contradictory for the state to make allocations of this magnitude for hospital capital projects and restructuring. This flies in the face of the state's own efforts to transform the delivery system. MMNY urges the Legislature to earmark some of the capital funding in the budget to community health centers and other community-based providers.

Now more than ever, as the state continues to transform the Medicaid program, and as new initiatives take shape (such as the State Health Innovation Plan, for example), Medicaid funding and other public dollars must be available for safety-net, community-based providers that serve low-income communities, communities of color, and other historically underserved populations.

Medicaid Managed Care

The Medicaid Redesign plans call for the expansion of Medicaid Managed Care, to move almost all Medicaid beneficiaries to managed care or some form of care management. This means there are people, mostly with complex, long-term needs, who are or will soon seek their services through a managed care plan for the first time.

Medicaid Managed Care Ombudsperson Program

MMNY remains focused on how the expansion of Medicaid Managed Care impacts consumers. In 2012, MMNY published a proposal for the creation of a Medicaid Managed Care Ombudsperson Program, which would provide individual, independent assistance for people new to Medicaid Managed Care. This past year, the state established the program as the Independent Consumer Advocacy Network (ICAN) for people receiving long-term services in mainstream managed care, Managed Long Term Care and the Fully Integrated Duals Advantage (FIDA) program. MMNY is pleased to see that the Governor's budget provides an additional \$5 million of funding to support Ombudsperson services, like the ICAN. In addition, MMNY overwhelmingly supports the Administration's proposal to expand funding of robust consumer Ombudsperson services that would serve all managed care enrollees over three years.

As hundreds of thousands of people will transition to managed care in 2015, the ICAN should be available to provide assistance to more people. Should additional funding be needed to adequately expand the ICAN, MMNY urges the Legislature to frontload some of the funding intended for expansion of the program in out-years to provide for an expansion of the program this year. The state will be implementing Health and Recovery Plans (HARPs) and initiating behavioral health services through managed care in 2015, which calls for the transition of 700,000 Medicaid consumers with behavioral health needs into integrated health plans, including over 100,000 individuals with serious mental illness and co-occurring substance abuse disorders. The needs of this population are complex, and accessing appropriate services and supports while navigating a new type of care management can be overwhelming, making the services provided by the ICAN more important than ever.

Medicaid Managed Care transitional support

As the state continues to expand Medicaid Managed Care, MMNY recognizes the significant need for support of providers in the community, as well as emerging managed care entities, to prepare for and effectively transition into a managed care environment.

MMNY supports the funding provided in the Governor's budget to support the transition of foster care services and behavioral health services to managed care. Each will come with their own challenges and the funding is important to make sure providers and managed care organizations do not let people fall through the cracks as these transitions take place.

Access to services for people with developmental disabilities

The Medicaid program must expand and enhance high-quality services for people with developmental disabilities, especially as this population moves to a managed care environment, which is expected later this year. The Governor has voiced strong support to increase opportunities for people with disabilities to live integrated lives in the community. This is a laudable goal supported by MMNY, but it is only achievable with timely access to high-quality health and support services and systems of care that serve people appropriately.

Coverage integrity and consumer protections

Basic Health Program

MMNY is very pleased the state is pursuing the Basic Health Program (BHP), which will provide an affordable, comprehensive health coverage option for low-income people who fall just above Medicaid income eligibility. MMNY supports the Governor's proposed funding for administration of the program.

New York has made a commitment to provide Medicaid coverage for certain lawfully-residing immigrants and Persons Currently Residing Under the Color of Law (PRUCOL) in the *Aliessa v. Novello* case. Almost all of these immigrants will be eligible for federally-funded coverage under the BHP, but a small number will not be. MMNY urges the Legislature to guarantee that all New Yorkers who are income-eligible for the Basic Health Program be able to enroll. The budget should provide state funding to cover this small population of undocumented immigrants and certain categories of PRUCOL so they are not left without coverage.

Preserve "prescriber prevails"

The budget once again proposes to eliminate the provision that guarantees that the prescriber of a prescription drug has ultimate discretion as to the precise drug formula administered by a pharmacist. This would amend Medicaid fee-for-service provisions to eliminate "prescriber prevails" for drugs not on the preferred drug list. The state has made a commitment to provide "prescriber prevails" in Medicaid Managed Care by including in the model contract to be used with managed care organizations. The same commitment should remain in fee-for-service Medicaid.

Eliminating the prescriber prevails provision would have a detrimental impact on people with disabilities, including psychiatric disabilities, as well as anyone else who relies on specific prescription drugs and drug combinations. Loss of choice in prescribing practices endangers the safety and well-being of Medicaid consumers and jeopardizes relationships between prescribers and their patients.

Preserve spousal and parental refusal

The Governor's budget would once again eliminate the longstanding right of "spousal/parental refusal" for children with severe illness, low-income seniors who need Medicaid to help with Medicare out-of-pocket costs, and other vulnerable populations. Only if a parent lives apart from a sick child, or a well spouse lives apart from or divorces a spouse with long-term needs will the "refusal" be honored and Medicaid granted. MMNY opposes denying Medicaid to these vulnerable groups; the projected cost savings from this action may not be realized, and in fact the increased insecurity of these consumers and their families may incur further health care and social costs that have not been adequately understood or included in predictive budget assumptions.

Community Health Advocates

The Community Health Advocates (CHA) program provides post-enrollment assistance to New Yorkers with insurance coverage of any kind. It is particularly important to low-income people in Medicaid and those in subsidized insurance coverage. MMNY supports funding in the Governor's budget for the CHA program and urges the Legislature to increase it to \$5 million so the program can serve more people. Additional funding would also allow contractors in the program to do community outreach and public education.

Emphasis on community

Central to the agenda of MMNY is the belief that people have the right to live and receive services in the most-integrated setting possible, and the Medicaid program must reflect that goal. The Governor has demonstrated a commitment to emphasizing the community over institutional settings in important ways.

Community First Choice Option

The Community First Choice (CFC) Option is a Federal Medicaid funding initiative that allows states to more widely provide long term supports and services to people in their homes and communities, rather than the institutionally-based settings for which they are eligible. States that elect to implement the CFC receive an additional six percent in Federal Medicaid share.

The Governor's budget includes an exemption from the Nurse Practice Act for Advanced Home Health Aides, increasing the availability of personnel on the ground to fully implement the CFC. We expect this will lend to CMS' approval of the state's proposed Medicaid state plan amendment for CFC, submitted in December 2013.

The budget also includes authorization to reinvest savings associated with implementation of the CFC, estimated to be approximately \$300 million annually, into initiatives that will further the

state's Olmstead Plan. MMNY strongly supports the inclusion of language that protects the rights of individuals with disabilities to meaningful caregiver choice, and enhances community protections through reinvestments into community supports that facilitate independence.

Access to transportation services

Key to living independently in the community is mobility. Medicaid covers transportation to and from medical visits and services; we have seen failed attempts at managing this benefit over the past few years. The Governor is proposing to assess the mobility needs and accessibility of transportation services for people with disabilities and long-term needs. MMNY supports this proposal, provided it is undertaken with the goal of enhancing transportation system management for efficient access to Medicaid services for all clients.

Office on Community Living

MMNY supports the Governor's proposal to establish a planning commission for the creation of a state Office on Community Living. This will be a dedicated state agency with the sole purpose of working to ensure community integration for seniors and people with disabilities.

Moving forward

For over ten years, MMNY has been working to ensure that New York's Medicaid program is strong and responsive to the people it serves. MMNY has worked closely with the state and with the Legislature and urges the Legislature to continue to keep Medicaid consumers at the forefront of every discussion on Medicaid throughout this year's budget negotiations.