



NYS Coalition of
MLTC and
PACE Plans

TESTIMONY OF

**THE COALITION OF NEW YORK STATE PUBLIC HEALTH PLANS AND
THE NEW YORK STATE COALITION OF MANAGED LONG TERM CARE PLANS**

ON THE GOVERNOR'S PROPOSED SFY 2022-2023 HEALTH AND MEDICAID BUDGET

SUBMITTED FOR THE

JOINT LEGISLATIVE BUDGET HEARING ON HEALTH

**SENATE FINANCE COMMITTEE CHAIR LIZ KRUEGER AND ASSEMBLY WAYS AND MEANS COMMITTEE CHAIR
HELENE E. WEINSTEIN PRESIDING**

FEBRUARY 8, 2022

About the PHP and MLTC Coalitions

Members of the Joint Legislative Budget Committee: Thank you for the opportunity to testify on behalf of the Coalition of New York State Public Health Plans (“PHP Coalition”) and the New York State Coalition of Managed Long Term Care Plans (“MLTC Coalition”).

The **PHP Coalition** represents seven health plans that serve over four million New Yorkers enrolled in the State’s public health care coverage programs—“mainstream” Medicaid Managed Care (MMC), HIV Special Needs Plans (HIV SNPs), Health and Recovery Plans (HARPs) and Child Health Plus (CHP)—as well as nearly three-quarters of those receiving coverage through the Essential Plan (EP) and Qualified Health Plans (QHP) offered through the New York State of Health Marketplace. The **MLTC Coalition** represents 14 plans serving over 138,000 enrollees with long-term care needs in New York’s Managed Long Term Care (MLTC) Partial Capitation (“Partial Cap”), Program for All-Inclusive Care for the Elderly (PACE), and Medicaid Advantage Plus (MAP) programs—over half of all enrollees in these programs.

PHP and MLTC Coalition plans are committed State partners, focused on expanding access to coverage and care, while improving healthcare quality for the lowest-income New Yorkers. The COVID-19 pandemic has underscored the importance of a strong and adaptable safety net. The priorities that follow reflect the need to preserve and enhance New York’s safety net healthcare programs, which provide critical coverage to more than a third of New York’s population.

Avoid Disrupting the Care and Coverage of Vulnerable New Yorkers by Rejecting Medicaid Managed Care Procurement

While the Executive Budget includes many proposals that will help New Yorkers achieve better health outcomes—including important expansions of healthcare coverage (discussed further below)—it also includes a highly disruptive proposal that would require the Department of Health to procure and limit the number of Mainstream plans, HARP plans for individuals with serious mental illness and/or substance use disorder, and MLTC Partial Cap and MAP plans for individuals in need of long term care. Today, these programs cover nearly 6 million people, including the lowest income and most vulnerable New Yorkers. The Governor’s proposal would restrict the number of plans in each region to no more than five per program.

Beyond **limiting plan choice for low-income people**, this proposal has the potential to **significantly disrupt patient care**—particularly that of the State’s most vulnerable populations—**negatively impact local economies** where managed care plans and their provider partners are key employers, and **distract critical resources from other State priorities**. There are *far* less costly and burdensome ways to improve these programs. Instead of pursuing a highly resource-intensive and costly procurement, the State can and should make changes to its Medicaid managed care programs, such as reforms relating to innovative care models and value-based purchasing, under existing authority. ***For these reasons, we urge the Legislature to reject the Medicaid managed care procurement proposal in the Budget.***

- ***Disruption in Patient Care.*** The Governor’s proposal would result in *at least* 10 partially capitated MLTC plans in New York City closing, impacting the care and coverage of tens of thousands of people who currently receive long-term care services and supports. Hundreds of thousands more could be impacted by Mainstream and HARP plan closures and other MLTC plan closures across the State. Such level of plan termination would inevitably disrupt the care of the State’s lowest income residents, including individuals with chronic physical, behavioral health and/or long-term care needs, who have longstanding relationships with their plan, providers and care managers, and it would

disproportionately affect coverage for people of color—all while the healthcare industry responds to the COVID-19 pandemic.

- **Damage to Local Economies.** Managed care plans serve many roles in their communities, including employer. In closing plans across the State, the Governor’s proposal would eliminate an important source of jobs. Coalition plans alone have headquarters and regional offices in 18 counties across the State, and this does not include “storefront” or community-based offices, where plan staff help community members enroll in public coverage and get connected with primary care.
- **Drain on State Resources.** Recent experience in other states (e.g., Texas, Ohio, Pennsylvania, Louisiana, Washington, D.C.) shows that Medicaid managed care procurements can take years longer than anticipated, require intensive state resources to develop and manage, be confusing to consumers, and result in protracted litigation—with little benefit to the state or its Medicaid enrollees. New York’s own experience with Medicaid procurements (most recently, for Fiscal Intermediaries for the Consumer Directed Personal Assistance Program) bears this out. There is certainly opportunity to improve the Medicaid managed care program, but a long, drawn-out and expensive procurement with uncertain results and such high stakes is the not the way to do it.

Make Permanent Critical Investments in Medicaid Managed Care Quality

The Coalitions support the Governor’s proposal to restore previously cut dollars from MMC and MLTC Quality Incentive Programs; however, this restoration does not address the fact that funding for these programs remains subject to last-minute budget cuts each year (something that has occurred in nearly all recent budgets). ***The Coalitions urge the Legislature to support [Senate Bill S7594A](#), which would codify the MMC and MLTC Quality Incentive Programs into law and permanently establish a powerful tool for improving high-quality and high-value care in the Medicaid program.***

Expand Healthcare Coverage to New Yorkers in Need

The Coalitions applaud the Executive for its proposals to enhance access to affordable coverage for more New Yorkers, which include:

- **Expanding Medicaid eligibility for seniors and people with disabilities** when they become eligible for Medicare by eliminating the Medicaid resource eligibility test and raising the eligibility income level to 138% of federal poverty level (FPL).
- **Expanding Medicaid postpartum coverage for up to one year**, increasing from 60 days after the parent gives birth. Of note, the Governor’s proposal excludes immigrant women who currently receive State-only funded coverage under the Medicaid for Pregnant Women program.
- **Eliminating the Child Health Plus (CHP) \$9 monthly premium** for children in families with a household income less than 223% FPL.
- **Expanding CHP behavioral health benefits** by investing \$11 million in FY 2023, growing to \$44 million in FY 2024, to align the mental health and other services offered to children in CHP with those offered to children in Medicaid.
- **Increasing Essential Plan (EP) eligibility** by increasing its current income cap from 200% FPL to 250% FPL, subject to federal approval.
- **Expanding EP eligibility and coverage for pregnant individuals and newborns and individuals with long-term chronic conditions**, subject to federal approval.

We ask the Legislature to support the Governor’s coverage expansion as important steps toward universal healthcare coverage. It could go further by expanding Medicaid postpartum coverage for all New Yorkers, including immigrants.

Repeal the Pharmacy Carve-Out

The State’s FY 2022 Budget delayed for two years implementation of a previously enacted policy to remove—or “carve out”—the pharmacy benefit from the rest of the Medicaid managed care benefits. Under current law, the pharmacy carve-out will become effective on April 1, 2023. This policy is highly problematic: not only will it erode plans’ ability to effectively manage members’ care, but it will have *substantial* impacts on community-based safety net providers due to lost federal drug pricing. Since the State postponed the carve-out after stakeholders voiced these and many other concerns last year, maintaining stability in access to benefits like pharmacy has become even more critical. ***We urge the Legislature to repeal the pharmacy carve-out in this year’s budget to protect enrollees and sustain safety net providers.***

Repeal the Independent Assessor (IA) Program

The State’s FY 2021 Budget included a provision called the “Independent Assessor” that would separate ongoing assessment of member need from care planning and care management for individuals eligible for long-term care. The policy would add layers and duplication to the care management process, undoubtedly lead to confusion among members and their representatives, with even more parties involved in ongoing care management, and result in administrative overburden for plans and providers. The policy came from a pre-pandemic, Cuomo-era Medicaid Redesign effort in a year with a large projected State budget deficit that no longer exists. Its implementation in May (when it is currently scheduled to begin) would exacerbate the current nurse workforce crisis and further delay access to care for New Yorkers requiring community-based long term care—including those waiting to be discharged from hospitals. ***We strongly urge the Legislature to repeal the Independent Assessor, which has no clinical or programmatic benefit and will add unnecessary strain to a healthcare system that is still actively responding to the COVID-19 pandemic.***

Thank you again for the opportunity to provide testimony on these critical issues. PHP and MLTC Coalition plans look forward to continuing their partnership with the State to ensure strong and sustainable safety net health programs and to best serve the New Yorkers that rely on them.

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If you have any questions, please do not hesitate to contact the Coalitions’ representatives at Manatt: Tony Fiori (AFiori@manatt.com), Jim Lytle (JLytle@manatt.com), and Hailey Davis (HDavis@manatt.com).

APPENDIX I: MEMBERS OF THE COALITION OF NEW YORK STATE PUBLIC HEALTH PLANS

Plan	Product Lines Offered	Counties Served
Amida Care	HIV SNP	New York City
EmblemHealth	Mainstream MMC, HARP, CHP, QHP, EP	<i>Public Insurance Programs:</i> New York City and Nassau, Suffolk, and Westchester counties <i>EP and QHP:</i> New York City, Albany, Broome, Columbia, Delaware, Dutchess, Greene, Nassau, Orange, Putnam, Rockland, Saratoga, Schoharie, Suffolk, Sullivan, Ulster, and Westchester counties
Fidelis Care	Mainstream MMC, HARP, CHP, QHP, EP	Every county in the State (for most product lines)
Healthfirst	Mainstream MMC, HARP, CHP, QHP, EP	New York City, Nassau, Orange, Rockland, Suffolk, Sullivan, and Westchester counties
MetroPlus Health Plan	Mainstream MMC, HARP, CHP, HIV SNP, QHP, EP	New York City
MVP Health Care	Mainstream MMC, HARP, CHP, QHP, EP	<i>Public Insurance Programs:</i> Albany, Columbia, Dutchess, Genesee, Greene, Jefferson, Lewis, Livingston, Monroe, Oneida, Ontario, Orange, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Sullivan, Ulster, Warren, Washington, and Westchester counties <i>EP and QHP:</i> 50 counties in the State
VNSNY Choice	HIV SNP	New York City, Nassau, and Westchester counties

APPENDIX II: MEMBERS OF THE NEW YORK STATE COALITION OF MLTC PLANS

Plan	Product Lines Offered	Counties Served
ArchCare Senior Life	Partial Capitation MLTC, PACE ¹	New York City, Putnam, Westchester
EverCare	Partial Capitation MLTC	Dutchess, Orange, Rockland
ElderServe Health (RiverSpring Health Plans)	Partial Capitation MLTC, MAP	New York City, Nassau, Suffolk, Westchester
Fallon Health Weinberg	Partial Capitation MLTC, PACE	Erie, Niagara
Fidelis Care at Home	Partial Capitation MLTC, MAP	New York City and 57 additional counties ²
Hamaspik Choice	Partial Capitation MLTC, MAP	Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster
HomeFirst/Elderplan	Partial Capitation MLTC, MAP	New York City, Dutchess, Nassau, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester
MetroPlus Health Plan	Partial Capitation MLTC, MAP	New York City
Montefiore Diamond Care	Partial Capitation MLTC	New York City, Westchester
Nascentia Health	Partial Capitation MLTC	Albany and 47 additional counties ³
Senior Health Partners/Healthfirst	Partial Capitation MLTC, MAP	New York City, Nassau, Westchester
Senior Network Health	Partial Capitation MLTC	Herkimer, Oneida
VillageCareMAX	Partial Capitation MLTC	New York City
VNSNY Choice	Partial Capitation MLTC, MAP	New York City and 28 additional counties ⁴

¹ ArchCare only offers PACE in New York City and Westchester.

² Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Nassau, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Westchester, Wyoming, Yates.

³ Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Rensselaer, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Tioga, Tompkins, Warren, Washington, Wayne, Wyoming, Yates

⁴ Albany, Columbia, Delaware, Dutchess, Erie, Fulton, Greene, Herkimer, Madison, Monroe, Montgomery, Nassau, Oneida, Onondaga, Orange, Otsego, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Suffolk, Sullivan, Ulster, Warren, Washington, Westchester