

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

Testimony to Assembly Ways and Means and Senate Finance Committees
Joint Legislative Budget Hearing on Health/Medicaid
February 28, 2023

Thank you for the opportunity to address you today. My name is Lara Kassel. I am the Coordinator of Medicaid Matters New York, the statewide Medicaid consumers advocacy coalition. Medicaid Matters is marking its 20th anniversary of bringing the interests of New Yorkers to Medicaid policymaking and budget debates. Over 100 coalition members participate in our advocacy. They are people covered by Medicaid, family members, community-based organizations, community-based providers, legal services agencies, policy and advocacy organizations, statewide associations, and more.

This testimony was drafted more than ten days prior to this hearing. Advocates' role in the budget process is to analyze the budget proposals and respond to them based on our policy goals and priorities. This is an arduous process that includes time-consuming consultation with colleagues and partners, particularly in aiming to accurately reflect the interests of our broad, diverse coalition. The information herein is as accurate as possible and reflects our understanding of the budget proposals and the positions we believe to be most salient at the time of the drafting of this testimony.

Medicaid Matters believes New York needs a Medicaid program that delivers quality health care and services to all who need them. While not perfect, New York Medicaid has a long history of providing care and services to meet the needs of low-income people and people with disabilities.

With a few small exceptions, this year's proposed budget does little to give more New Yorkers access to affordable public coverage, promote access to needed services and help the entire system reach greater equity. In order to achieve these goals, we need investment in what matters to historically-marginalized New Yorkers, including immigrants, people living independently in their homes, and the safety net providers that go above and beyond to serve them. The budget does include Medicaid rate increases in a few areas, the intent of which is to improve access to services. However, rate increases alone will not guarantee access for all New Yorkers. Rate increases should be tied to commensurate increases in access to services and enhancement of quality of care.

The Medicaid program must meet people where they are, support community-based services, protect safety-net providers, and promote health equity. The state budget must reflect these goals.

Medicaid Matters urges the following budget actions be taken:

Expand eligibility for public programs and include immigrants

Medicaid Matters applauds the Governor for expanding the Essential Plan eligibility from 200% to 250% of the federal poverty level. However, the proposal excludes people who do not have immigration documentation. Medicaid Matters supports the Coverage for All campaign, calling for access to affordable health coverage for all New Yorkers, regardless of immigration status. This could be achieved by including the Coverage4All legislation (S.2237, Rivera/A.3020, Gonzalez-Rojas) in this year's budget, providing authorization to include immigrants with low income between the ages of 19 and 64 in the application to the federal government to expand the Essential Plan.

Medicaid Matters urges the Legislature to include continuous coverage for children birth to age six in this year's budget. Families should not have to jump through administrative hoops to keep their children enrolled in public coverage. Oregon was approved for this coverage expansion in September 2022. Oregon's data showed that fewer than 1% of children dropped off of Medicaid coverage because their families were no longer income eligible. That means more than 99% of children who lost their coverage did so for administrative reasons.

Provide eligibility equity for people with disabilities and older adults

Medicaid Matters was thrilled that last year's enacted budget included Medicaid income eligibility expansion for people with disabilities and older adults, raising their eligibility from 84% of the Federal poverty level to 138%, the same as the level for other adults. Income eligibility was also increased for the Medicare Savings Program.

We applauded the Governor for including repeal of the Medicaid asset test for older people and people with disabilities, but that provision fell out during budget negotiations. We urge you to consider increasing the asset limit this year from 150% to 600% of the Federal poverty level for this group of people. Short of full repeal, increasing the liquid asset limit will make access to health care more equitable. An asset limit of six times the annual income limit would be \$112,536 in 2022 (single person). This is lower than California's asset limit, which has now increased to \$130,000 as California phases in full repeal of the asset test.

Medicaid Matters applauds the Governor for including expansion of the Medicaid Buy-In for Working People with Disabilities (MBI-WPD) in this year's proposed budget. The MBI-WPD increases the income limit to allow people with disabilities to earn above the mainstream threshold. This is important because Medicaid covers long term services and supports that are not covered by Medicare and other coverage. The budget proposes to increase the income limit and eliminate the age limit and spousal income limit. We urge the Legislature to enhance the Governor's proposal by eliminating premiums and the proposal to cap the program at 30,000 people.

Promote community-based services and supports

New York has one of the greatest home care workforce shortages in the nation. People with disabilities and older adults who rely on home care to live independently in their homes simply cannot find aides who will work for the wages Medicaid provides.

Last year's enacted budget provided small raises for home care workers, but the \$3 increase does not come close to what is needed to address the worker shortage. On top of that, the proposed budget exempts home care wages from minimum wage indexing, ultimately freezing home care wages until the minimum wage reaches the same rate. This wipes out last year's gain and defeats the purpose of supporting the workforce people need to keep them living independently (which the state is obligated to do under the *Olmstead* decision which provides the right to live in the most-integrated setting in the community).

New York needs to invest in the workforce by raising wages to be competitive enough to keep people working in health care, including home care. Medicaid Matters urges the Legislature to include Fair Pay for Home Care in this year's budget, which would increase wages to 150% of the regional minimum wage. Medicaid Matters also urges the Legislature to restore Wage Parity for workers in the Consumer Directed Personal Assistance Program.

Additionally, Medicaid Matters urges repeal of two restrictions to access to Managed Long Term Care (MLTC), which people need in order to access home- and community-based services. In 2020, the budget included a provision that a person meet the requirement that they need assistance with at least three activities of daily living (ADL) to qualify for MLTC. The other provision added a look-back period for income eligibility for community-based MLTC. Neither of these provisions have been implemented and we urge the Legislature to repeal them.

Protect safety-net hospitals

The proposed budget includes a \$235 million cut to the \$1.1 billion hospital Indigent Care Pool (ICP), and it holds safety-net hospitals harmless. This fits conceptually with the legislation Medicaid Matters supports to convert funding from the ICP to better target it. This funding should be redistributed and targeted to hospitals that meet the definition of "safety-net hospital."

Enacting legislation to fix the unfair distribution of ICP would provide support to hospitals to offset their losses by providing care to people with low income. The guidelines for distribution of funds must prioritize improved access to health care for medically-underserved people and communities.

Prioritize the interests of consumers in Medicaid Managed Care

This year's proposed budget includes new standards for operation of Managed Long Term Care plans. However, the standards do nothing to address quality or access to needed services. Medicaid Matters recommends adding quality standards and consumer protections to the budget language. Examples include rebalancing service expenditures

from institutional to community-based services, reducing the number of enrollees admitted to nursing facilities, ensuring timely access to services and high worker retention, and timely reporting of cost, service, and demographic data. In addition, the budget should include language to strengthen continuity of care rights. Draft legislation has been provided and we hope it will soon be introduced.

Additionally, Medicaid Matters urges the Legislature to reject the five-year extension of the authorization to move the system of services for people with intellectual/developmental disabilities (I/DD) to Medicaid managed care. New York has been exploring the possibility of managed care for people with I/DD for over ten years, and there has been no conclusive evidence such a move would improve the lives of people with I/DD. In fact, studies from other states have shown there are no savings associated with managed care for this group of people, and there is no evidence of improvements to access to services or quality of services.

Medicaid Matters has extensive experience in advocacy related to Medicaid Managed Care. Since the implementation of the “Care Management for All” initiative began in 2011, we have examined how the move to managed care has impacted people. No implementation of changes to managed care in New York has been without some negative impact on enrollees. For over a decade, the state has made major changes to managed care under the guise of reform, but people are harmed in the process.

Restore prescriber prevails

The budget once again proposes to eliminate “prescriber prevails.” This long-standing requirement ensures that the prescriber of a medication has the final word in any disputes over the filling of a prescription for their patient. This requirement is necessary because these medications are used to treat complex medical conditions for which there are no clinically appropriate alternatives or where a substitution may harm patient health. For these reasons Medicaid Matters opposes this change and urges prescriber prevails be restored.

Restore transparency to the Medicaid budget

New York’s Medicaid spending cap has been in place since 2011. It was presented as a mechanism to limit growth in Medicaid spending and instill discipline in Medicaid budgeting. It has allowed the administration to justify Medicaid cuts and drastic changes that diminish access to services. Medicaid Matters believes the cap should be replaced with intelligent budgeting which would allow the state to make necessary investments and adjustments reflective of real world needs and conditions. If the cap is kept in place, the state should be required to report on Medicaid spending on a monthly basis rather than quarterly. In addition, the Division of the Budget should publish plain language summaries to accompany their cap reports and should provide public webinars with live Q&A or other similar opportunities for transparent information sharing about the Medicaid budget.