

A red-tinted image of the Statue of Liberty's head and crown, positioned on the right side of a grid pattern that recedes into the distance. The grid lines are white and create a sense of depth and perspective.

*Redesign Medicaid in New York State*

# Medicaid Global Spending Cap Advisory Group

**March 8, 2013**  
**3:00 – 5:00 p.m.**

*Presented by:*





# Overview

- Potential Recommendations to Modify Global Cap
- Other Proposals
- Next Steps



# Potential Recommendation #1 – Reinvest ACA Funds

*ACA funding should be used to restore 2% provider rate cut; increase rates to essential safety net providers; make investments in health care delivery system reform to achieve shared goals of MRT and the ACA.*

## ***The Governor's 2013-14 Executive Budget proposes:***

- 2% provider rate cut be restored (starting end of 2013-14).
- VAP and Safety Net funding (\$86 million in 2012-13; \$182 million in 2013-14; and \$154 million in 2014-15).
- ACA funding to support the Medicaid program (\$163 million in 2013-14; \$520 million in 2014-15).



# Potential Recommendation #2 – Shared Savings

*Share Medicaid program efficiencies between the State, plans, and providers if actual spending is below the Global Cap projection.*

## ***Recommendations:***

- Establish a work group to develop options for sharing savings between:
  - ***State and providers; and***
  - ***Plan and providers.***
- Work group members should consist of representatives from DOH, DOB, and the Advisory Group.
- Workgroup should plan to present options in the Fall 2013 to be considered with the 2014-15 Executive Budget.



## Potential Recommendation #3 – Greater Transparency for GC Estimates

*Provide additional information on how the spending projections/offsets for each category of service is developed (i.e., price, enrollment, and transitions from FFS to MMC).*

### ***Recommendations:***

- The following information will be added to the Monthly Global Cap Report:
  - ***Full list of all anticipated price adjustments.***
  - ***Population and benefit shifts to managed care.***
  - ***Detailed accounting of “off-line” transactions.***
  - ***Detailed accounting of funds shifted to Department of Mental Hygiene programs (i.e., Stabilization Fund).***



# Potential Recommendation #4 – Annual Growth Methodology

*The State should revisit the methodology used to calculate the annual growth adjustment to the Global Cap.*

## ***Recommendations:***

- Modify the list of situations under which the Budget Director can adjust the Global Cap to include the following:
  - ***Natural Disasters.***
- Further explore the following modifications:
  - ***Enrollment growth (on top of annual growth).***
  - ***Retroactive payments and natural disasters (i.e., Hurricane Sandy).***

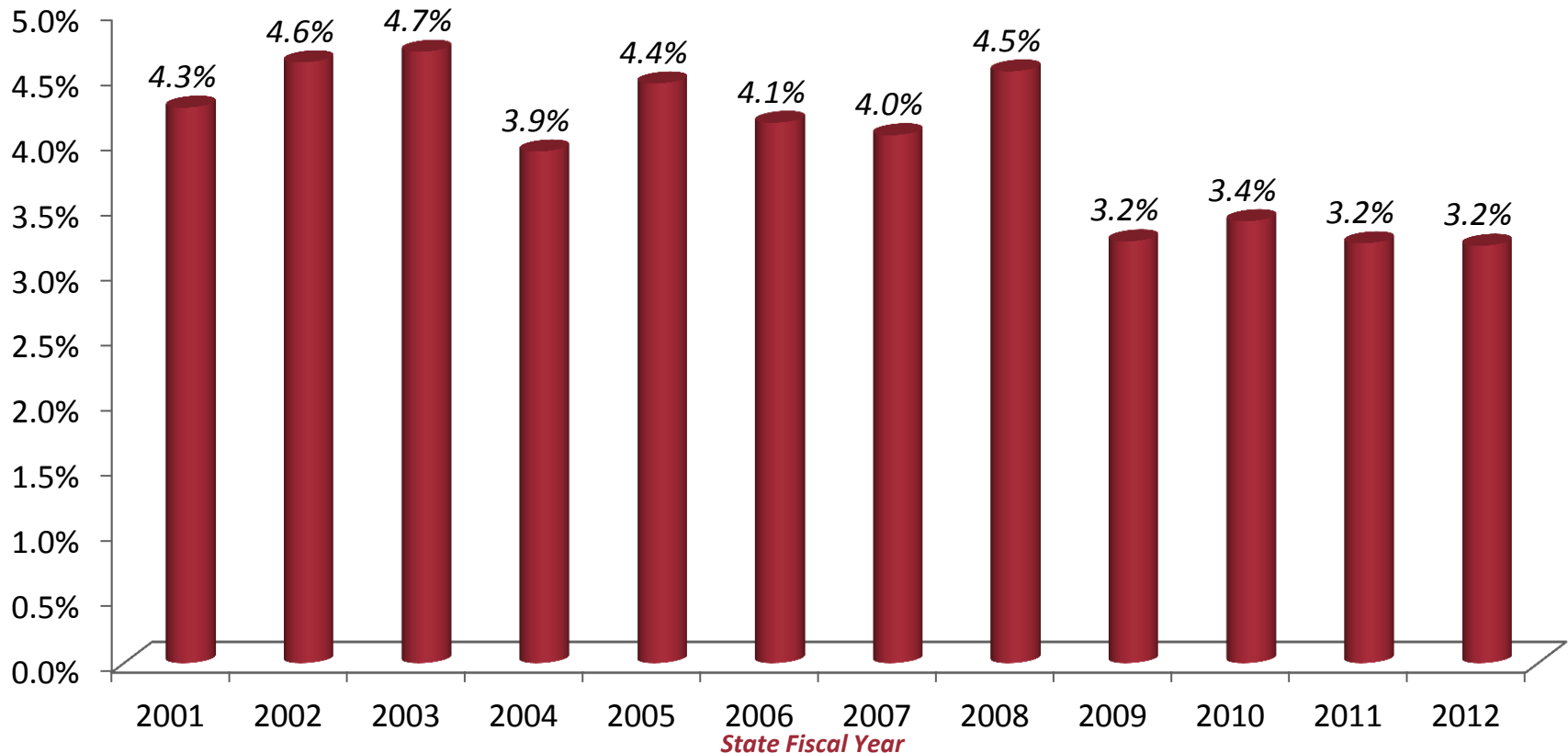


# BLS Medical CPI-U SFY Annual Percent Growth

**SFY 2012 - 10 YEAR AVERAGE = 3.9%**

**SFY 2012 - 5 YEAR AVERAGE = 3.5%**

**SFY 2012 - 3 YEAR AVERAGE = 3.3%**





# Other Proposals

- If a full/partial restoration of trend factors is made to OPWDD services, than a proportionate restoration may be considered for Medicaid health care funding.
- Provide inflationary adjustments to provider and plan rates (2009 was the last year most providers received an adjustment). However, to the extent funding becomes available, investments to a quality pool may be considered.



# Next Steps

- Establish work groups to develop options for shared savings.
- Options to be shared in Fall 2013 for consideration with the development of 2014-15 Executive Budget.