

NEW YORK
state department of
HEALTH

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✓ Joanne Cunningham, President
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Dear Mr. Clyne, Ms. Cunningham, and Ms. Johnston:

This letter is in response to your letter dated May 5, 2014, in which you express concern about the Quality Incentive/Vital Access Provider Pool (QIVAPP) and wage parity financing. The following paragraphs contain answers to questions and concerns raised in your letter regarding qualifications and participation in the QIVAPP program, as well as, broader concerns regarding wage parity.

1. **Question** - Will the MLTCs have to apply for the QIVAPP monies or will DOH award the funds based on the data the plans have provided to DOH as part of the survey request?

Answer - MLTCs will have to apply for the QIVAPP monies. The application is currently available on the DOH website for plans to submit actual hours of personal care and home health aide hours by qualifying providers, for the period April 1, 2014 through June 30, 2014, as well as additional information.

Question - If the MLTC is able to opt out of the process, is there a way to secure access to the program for their network providers?

Answer - The funding is directed to the MLTC plan as a pass through to the providers. Providers can not directly access pool funding.

Question - Or similarly, if for some reason a managed care plan does not qualify, how would network providers access QIVAPP funds?

Answer - Providers can not directly access pool funding.

Question - When does the Department anticipate QIVAPP monies to begin to flow?

Answer - DOH anticipates QIVAPP funds flowing by December 31, 2014

2. **Question** - Can the Department clarify how the \$70 million QIVAPP will flow from MLTCs to network providers? If via a pass-through, please describe how this is intended.

Answer - An identified amount will be paid to plans as a lump sum payment based on information reported by plans on the QIVAPP application. It is important that plans accurately report all information to the Department. Plans will be required to pass that amount on to their QIPPs.

3. **Question** - When does the State expect to increase the MLTCs' rates to account for the QIVAPP?

Answer - Funding is intended to be distributed by December 31, 2014

Question - How long will the plans have to pass through those funds to their network providers?

Answer - 30 days from the date received.

4. **Question** - Please clarify what is meant by "a base contracted amount." Is this referring to an overall base rate of payment from MLTCs to QIVAPP providers (and if so, what specifically does that mean) or is it intended to mean a base "add-on" QIVAPP amount only?

Answer - The base contracted amount for QIVAPP pool requirements is \$18.50 per hour.

5. **Question** - Can the Department confirm that included in the reference "network providers" are: Licensed Home Care Services Agencies (LHCSAs), Certified Home Health Agencies (CHHAs) and Long Term Home Health Care Program (LTHHCP) providers that directly provide aide services under contract to MLTCs, as well as LHCSAs which subcontract with CHHAs and LTHHCPs under MLTCs?

Answer - Yes

6. **Question** - Can the Department confirm that "specialty training" includes any of a range of possible training or orientation initiatives in skill development or specialty orientation for the agency's workers, and that it does not require that the home care agency itself is also the provider of the aide's basic training and certification?

Answer - Training must be provided above and beyond the base regulatory standard. The agency itself does not need to provide the training, however, it must ensure the training is made accessible.

Question - Also, please confirm that a standard, but high quality HHATP/PCATP meets the criteria for the QIVAPP.

Answer - No. Training must be provided above and beyond the base regulatory standard.

7. **Question** - Please confirm that if a QIPP can demonstrate a specialty training program, but cannot obtain a letter of support from a labor organization, then the QIPP meets the exception criteria.

Answer - Exceptions will be evaluated on a case by case basis.

8. **Question** - The DAL states that “if a provider cannot meet any of the eligibility standards, the Department will consider exceptions on a case by case basis, if they can be justified.” What will the application process be for a contracted home care provider that does not meet the eligibility standards to qualify as a QIPP?

Answer - MLTCs can provide information with their QIVAPP funding application to request exceptions.

Question - Will there be a process to appeal a determination of ineligibility?

Answer - There will be no appeal process.

9. **Question** - We are concerned that the criteria seem to give priority to unionized home care agencies and place non-unionized agencies at a disadvantage. Please confirm that non-unionized agencies that meet the outlined criteria will be eligible on a level playing field for QIVAPP funding.

Answer - QIVAPP funding is available to all MLTCs that apply and have agencies that meet the pool requirements or are approved as an exception, regardless of union status.

The following answers are in response to questions related to QIVAPP and the broader wage parity matter.

1. **Question** - During our April 3, 2014 conference call with you and departmental staff, you clarified that the MLTC and provider reporting requirements would be very general in terms of the support of the QIVAPP agencies, and were not intended to involve specific reporting on the use of the QIVAPP dollars. The DAL does not afford this clarification and we ask that you please confirm the aforementioned general parameters for plan-provider reporting under QIVAPP.

Answer - The intent is to continue to limit the specificity of reporting on pool dollars.

2. **Question** - Please provide further specificity and clarification for each of the three “phases” of MLTC rate development under QIVAPP, and how this affects QIVAPP monies to plans and to contracted home care providers.

Answer - Each phase of MLTC rate development will be retroactive to April 1, 2014. The intent of the phase approach is to provide wage parity funding as quickly as possible. QIVAPP pool payments will not be affected by the phase approach since QIVAPP payments will not be made until after October 1, 2014.

3. **Question** - Our associations are extremely concerned that the Department is targeting additional wage parity financing only to New York City providers, and is not similarly addressing the needs of workers, agencies and patients in Nassau, Suffolk and Westchester counties. Agencies serving those counties also need assistance, particularly

because the State is no longer requiring that health plans pay their contracted personal care providers at the local department of social services rate. We ask that the rates for the providers serving these communities be increased to address worker and agency compensation needs for service to these areas, and that commensurate adjustments be made to health plan premiums to permit the requisite agency reimbursement.

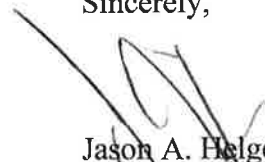
Answer - This process is tied to NYC since they are in the final phase of Worker Parity implementation. As other districts enter into the last phase of Worker Parity, DOH will continue to evaluate and track wage parity impacts and has committed to future adjustments deemed necessary as a result of wage parity. Any additional information the associations can provide on the extent of the impact outside of NYC will be evaluated.

4. **Question** - Additionally, we are deeply concerned that no parallel wage parity/quality adjustment is being made for workers and agencies providing services to patients under fee-for-service payments under CHHA, LTHHCP and LHCSA-contracted arrangements. During the April 3, 2014 conference call with you, the Department clearly laid out its intention to provide zero rate adjustments under the 2014-15 State budget agreement for CHHAs and LTHHCPs (and their contracted LHCSAs) if their existing fee-for-service aide rates were already at \$20/hour. Thus, these providers are forced to bear the same unsustainable increases in wage parity cost over their current reimbursement as the providers who are contracting to health plans. This approach leaves these agencies, workers and patients in an inequitable and untenable position. We ask that parallel assistance be provided to these agencies.

Answer - As part of the overall transition of home care services, FFS rates have been adjusted to provide a level of reimbursement consistent with managed care. The impact on FFS is also considered as DOH continues to track and evaluate the impact of wage parity.

We appreciate your concern in regard to these issues. Please be assured that the Department will continue to work closely with you to develop finance and rate methodologies that provide appropriate payments to plans to support providers and ensure quality care for the patients they serve.

Sincerely,



Jason A. Helgersen
Medicaid Director
Office of Health Insurance Programs

cc: John Ulberg
Mark Kissinger