Legislative and Budget Update

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LeadingAge New York
Annual Conference and Exposition
May 24, 2017

Presentation Agenda

• State Budget Update
• MRT/Related Implementation Updates
• End of Session Priority Issues
• Federal Advocacy Issues
• Local Advocacy Campaign
• Phone2Action
• Questions
State Budget Update – Medicaid Spending

• Medicaid Global Spending Cap
  – $18.8B (2016-17) to $19.7B (2017-18) and $20.8B (2018-19)
  – Authority added to adjust cap for any changes in FMAP or local share
  – Separate cap added on prescription drugs within global cap
  – Funding for nursing home Universal Settlement included
  – Effort to reduce accounts receivable and providers “off the lag”

<table>
<thead>
<tr>
<th>Category of Service</th>
<th>FY 2017 Estimated</th>
<th>FY 2017 Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Managed Care</td>
<td>$19,725</td>
<td>$19,703</td>
<td>$22</td>
</tr>
<tr>
<td>Managed Care</td>
<td>$19,725</td>
<td>$19,703</td>
<td>$22</td>
</tr>
<tr>
<td>Long Term Managed Care</td>
<td>$4,240</td>
<td>$4,214</td>
<td>$26</td>
</tr>
<tr>
<td>Total per Service</td>
<td>$23,965</td>
<td>$23,917</td>
<td>$48</td>
</tr>
<tr>
<td>Inpatient</td>
<td>$2,616</td>
<td>$2,526</td>
<td>$90</td>
</tr>
<tr>
<td>Outpatient/Emergency Room</td>
<td>$550</td>
<td>$560</td>
<td>$10</td>
</tr>
<tr>
<td>Cms</td>
<td>$671</td>
<td>$651</td>
<td>$11</td>
</tr>
<tr>
<td>Nursing Homes</td>
<td>$3,042</td>
<td>$3,050</td>
<td>$8</td>
</tr>
<tr>
<td>Other Long Term Care</td>
<td>$957</td>
<td>$924</td>
<td>$33</td>
</tr>
<tr>
<td>Non-Institution</td>
<td>$1,691</td>
<td>$1,524</td>
<td>$48</td>
</tr>
<tr>
<td>Medicaid Administration Costs</td>
<td>$800</td>
<td>$899</td>
<td>($99)</td>
</tr>
<tr>
<td>DHIP Budget – State Operations</td>
<td>$365</td>
<td>$365</td>
<td>($0)</td>
</tr>
<tr>
<td>Medicaid Audit</td>
<td>($355)</td>
<td>($426)</td>
<td>($71)</td>
</tr>
<tr>
<td>All Other</td>
<td>$2,430</td>
<td>$2,626</td>
<td>($196)</td>
</tr>
<tr>
<td>Local Paving Offset</td>
<td>($2,152)</td>
<td>($2,162)</td>
<td>($0)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$18,845</td>
<td>$18,547</td>
<td>($308)</td>
</tr>
</tbody>
</table>

State Budget Update – Medicaid Spending

• Prior Years’ Cuts Extended Through 3/31/19
  – Zero trend factor (except pediatric nursing homes)
  – Prior trend factor cuts, nursing home assessment, home care A&G cap

• Vital Access Provider (VAP) Program
  – $132M of funding, plus reappropriation of last year’s $212M funding
  – Preserve access to services – provider restructuring, reconfiguration, merger and closure
### State Budget Update – Minimum Wage

<table>
<thead>
<tr>
<th>Date</th>
<th>NYC Large</th>
<th>NYC Small</th>
<th>LI &amp; Westchester</th>
<th>Rest of State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/18</td>
<td>$13.00</td>
<td>$12.00</td>
<td>$11.00</td>
<td>$10.40</td>
</tr>
<tr>
<td>1/1/19</td>
<td>$15.00</td>
<td>$13.50</td>
<td>$12.00</td>
<td>$11.10</td>
</tr>
<tr>
<td>1/1/20</td>
<td>$15.00</td>
<td>$13.00</td>
<td>$13.00</td>
<td>$11.80</td>
</tr>
<tr>
<td>1/1/21</td>
<td></td>
<td>$14.00</td>
<td>$12.00</td>
<td></td>
</tr>
<tr>
<td>1/1/22</td>
<td></td>
<td>$15.00</td>
<td>$12.00</td>
<td>Indexed</td>
</tr>
</tbody>
</table>

- Medicaid funding (non-federal)

<table>
<thead>
<tr>
<th>Sector</th>
<th>SFY 2017-18</th>
<th>SFY 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home care/MLTC</td>
<td>$243M</td>
<td>$556M</td>
</tr>
<tr>
<td>Other categories</td>
<td>$12M</td>
<td>$23M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$255M</td>
<td>$579M</td>
</tr>
</tbody>
</table>

### State Budget Update – Capital Programs

- **$500M for Statewide Health Care Facility Transformation**
  - DOH/DASNY administered program of capital grants
  - Replace inefficient/outdated facilities; merger/consolidation/acquisition
  - Hospitals, nursing homes, home care, clinics, and primary care eligible
  - Funding set-asides:
    - Up to $300M for projects not funded in round 1 (SFY 2016-17)
    - $75M for community-based providers (clinics, home care, primary care)
    - $50M for Montefiore Medical Center

- **Other Initiatives**
  - $20M for Non-profit Infrastructure Capital Improvement Program
  - Re-appropriate capital programs (Brooklyn and Utica)
State Budget Update – Other Provisions

- Eliminate payment for nursing home hospitalization bed holds
  - Continue reimbursing, pending adoption of emergency regulations
  - Continue hospitalization bed hold requirements without payment
- Reduce MLTC quality payment by $30M
- Review and revision of UAS
- Authorization requirement for CDPAS fiscal intermediaries

State Budget Update – Rejected Proposals

- Limit MLTC Enrollment to Nursing Home Level of Care
- Consolidation of Public Health Programs
- Spousal Refusal
- Health Care Regulation Modernization Team
- Mandatory Recycling of Food Waste
- Financial Exploitation of Vulnerable Adults
- Good Government Provisions
State Budget Update – Scorecard of Other Items

• Other Victories
  – Rejection of MLTC and ADHC transportation carve-outs
  – Extension of nursing home benchmark requirement to 12/31/20
  – Commitment to explore high-cost managed care “rate cells”
  – One-year delay of NHTD/TBI transition to managed care
  – $125M devoted to senior housing development/rehabilitation

• More Work to be Done
  – SSI increase
  – Capital for all LTPAC services
  – Role of the nurse in the ACF
  – ALP expansion
  – Affordable Senior Housing and Services program

State Budget – Status of Selected 2016-17 Items

• Transition of NHTD and TBI Waivers to Managed Care
  – Delayed by another year to 1/1/19

• Medicare-Medicaid “Crossover” Payments
  – Limit Medicaid payment of Medicare cost sharing for fee-for-service duals enrolled in Medicare Advantage plans
  – Being implemented 5/25/17, retro to 7/1/16

• Nursing Home Transportation Carve-out
  – Remove transportation from the direct component of rates
  – CMS has approved effective 4/1/16; implementation date uncertain

• Restorative Care Unit Demonstration
  – Establish RCUs to provide enhanced clinical care in nursing homes to prevent avoidable hospitalizations ($1.5 million in State funding)
  – Proposed 12/1/16 effective date, pending CMS approval
Selected 2016-17 Items – Paid Family Leave

- Care for a family member; bond with child for first 12 months after birth, adoption or foster care; or for qualified military exigency
- Eligible after 26 weeks of employment (175 days for PT employees)
- Income replacement paid for by an insurance policy paid for by the employee
- Documentation required for leave requests

<table>
<thead>
<tr>
<th>Date</th>
<th>Maximum Leave</th>
<th>Payment Level</th>
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</thead>
<tbody>
<tr>
<td>1/1/18</td>
<td>8 weeks</td>
<td>50% of worker’s average weekly wage, up to 50% of state average</td>
</tr>
<tr>
<td>1/1/19</td>
<td>10 weeks</td>
<td>55% of worker’s average weekly wage, up to 55% of state average</td>
</tr>
<tr>
<td>1/1/20</td>
<td>10 weeks</td>
<td>60% of worker’s average weekly wage, up to 60% of state average</td>
</tr>
<tr>
<td>1/1/21–on</td>
<td>12 weeks</td>
<td>67% of worker’s average weekly wage, up to 67% of state average</td>
</tr>
</tbody>
</table>

- Proposed WCB/DFS regulations in 2/23/17 State Register, not yet adopted
- DFS to announce initial maximum employee contribution by 6/1/17

MRT/Related Implementation Updates

- Managed Care Transition

<table>
<thead>
<tr>
<th>Program</th>
<th>NYC</th>
<th>Rest of State</th>
<th>Total</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLTC Partial Cap</td>
<td>119,468</td>
<td>137,751</td>
<td>148,786</td>
<td>+19.6%</td>
</tr>
<tr>
<td>PACE</td>
<td>3,378</td>
<td>3,300</td>
<td>5,547</td>
<td>+1.0%</td>
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<tr>
<td>MAP</td>
<td>5,413</td>
<td>6,832</td>
<td>7,728</td>
<td>+25.1%</td>
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<tr>
<td>FIDA*</td>
<td>5,490</td>
<td>4,599</td>
<td>5,490</td>
<td>-16.2%</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td>133,749</td>
<td>152,482</td>
<td>165,551</td>
<td>+18.0%</td>
</tr>
</tbody>
</table>

* FIDA enrollment figures reported for NYC include Nassau County enrollees.

- Expansion of FIDA to Westchester and Suffolk Counties
- Nursing home population transition
- Transition of additional populations/benefits (ALP, NHTD/TBI)
MRT/Related Implementation Updates

- Nursing Home Universal Settlement
  - Rate appeals cap/appropriations in State budget
  - Timing of future payments

<table>
<thead>
<tr>
<th>Installment</th>
<th>Initially Planned Timeframe</th>
<th>Outside Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd Payment</td>
<td>Between 1/1/17 and 3/31/17</td>
<td>By 3/31/18</td>
</tr>
<tr>
<td>4th Payment</td>
<td>Between 1/1/18 and 3/31/18</td>
<td>By 3/31/19</td>
</tr>
<tr>
<td>5th Payment</td>
<td>Between 1/1/19 and 3/31/19</td>
<td>By 3/31/20</td>
</tr>
</tbody>
</table>

- Value-Based Payment
  - State VBP roadmap
  - MLTC Clinical Advisory Group

End of Session Priority Issues – Nursing Homes

**Nurse Staffing Ratios**
- A.1532 (Gunther) – S.3330 (Hannon)

**Bed Hold**
- S.6255 (Hannon): delays hospitalization bed hold elimination
- S.5997 (Croci): reinstates bed hold payment for hospitalization

**NP & PA Sign DNR Orders**
- A.7277 (Gottfried) – S.1869 (Hannon)

**Medication Aides**
- A.6891 (Jenne)
End of Session Priority Issues – ACF/AL

Role of the Nurse in the ACF
• A.2736 (Gottfried) – S.4398 (Hannon)

SSI Congregate Level III Rate Increase
• A.6715A (Brindisi) – S.2137A (Serino)

ALP Certificate of Need
• S.5840 (Hannon)

Capital Financing
• A.1612 (Magnarelli): AL access to VAP capital
• A.1650 (Magnarelli): AL access to HCF transformation capital

End of Session Priority Issues – Housing and Retirement Communities

CCRC Revitalization
• A.6450 (Schimminger) – S.5172 (Hannon)

Independent Senior Housing Freedom of Choice
• A.6341 (Cymbrowitz) – S.535 (Young)

Affordable Senior Housing and Services Program
• A.6804 (Cymbrowitz) – S.5141 (Little)
End of Session Priority Issues – MLTC and HCBS

TBI Patient Access to DD Services
• A.1425 (Jenne) – S.517 (Young)

NHTD/TBI Carve-out from MLTC
• A.2442 (Gottfried) – S.1870 (Hannon)

Fiscal Intermediaries in CDPAS
• A.7216 (Gottfried) – S.5544 (Hannon)

Federal Advocacy Issues

Health Reform and Medicaid Cuts
• Senate consideration of AHCA (H.R. 1628)
• Repeal Medicaid expansion, convert to Medicaid per capita cap

NH Oversight and Requirements of Participation
• “Dear Colleague” letter by Congress
• Legislation re: CNA training “lock-out”

Observation Days
• H.R. 1421 – S.568: Improving Access to Medicare Coverage Act

Medicare Therapy Caps
• H.R. 807 – S.253: repeals the therapy caps, exception expires at end of year
Federal Advocacy Issues

**HUD 202 Campaign**
- Success! - Full renewal of funding for 2017
  - New Section 202 construction and Senior Preservation Assistance Contracts (SPRACS)
- Launch of *Save HUD 202* Campaign for 2018 housing budget
- [www.savehud202.org](http://www.savehud202.org)

**HCBS Medicare Legislation**
- S.309: Community Based Independence for Seniors Act, would establish community-based special needs plan for low-income Medicare beneficiaries for coverage of HCBS
- S.445: Home Health Planning Improvement Act, would allow PAs, NPs, clinical nurse specialists and certified nurse midwives to order home health services.

Local Advocacy Campaign

- Join forces with other LeadingAge members
  - Meet jointly in your legislators’ district offices
- Engage your partners and your board
  - Include them in your meetings
- *Your* story/message
  - Keep it local, keep it simple, keep it personal
Phone2Action

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www.leadingageny.org

Questions

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