



Dear Members:

Today Governor Cuomo [presented](#) his Executive Budget, calling it “Progress Bound and Fiscally Sound.” We are still awaiting the budget bills that will provide us details on his plan, but below are highlights of proposals that will impact providers, including the launching of the Medicaid Redesign Team II (MRT).

Cuomo began by laying out his 10-point 2020 Clear Vision and Bold Action plan, which includes transforming Medicaid in the future. The Budget proposes substantial capital investments, including:

- \$33 billion 5-year capital plan to tackle climate change
- \$275 billion infrastructure program
- \$133 million for homeless and affordable housing
- \$2.9 billion to combat childhood poverty
- \$12 million for emergency mgt equipment

The governor also highlighted program initiatives that he would advance, including:

- Legalize Adult- Use Marijuana,
- Bail Law reform updates, and
- Domestic Terrorism Law

**Prevailing Wage:** The Executive Budget will include legislation requiring that workers on projects with a significant public subsidy would be paid a prevailing wage.

**Paid Sick Leave:** The Budget will include a paid sick leave proposal requiring businesses with five to 99 employees to provide their employees at least five days of job-protected paid sick leave per year and businesses with 100 employees or more will provide at least seven days of paid sick leave per year.

**Continuing the Regional Economic Development Councils:** The Executive Budget will include \$750 million to continue the regional economic development strategy.

### **Health/Medicaid**

Cuomo reported on the progress the state has made: 18 million of 19.5 million New Yorkers have health insurance – 16 million through Medicaid and stated, “this is something to be proud of, but Medicaid must be financially sustainable”.

The Executive Budget will align spending with the Medicaid Global Cap through a series of reforms that will address long-term care enrollment growth and other drivers of spending growth in the program; including

“tailoring benefits to meet the needs of an aging population”. The Budget will also continue investments for community-based services and supports to the elderly to address locally-identified capacity needs.

The Executive Budget presentation blames Medicaid growth on shifting demographics and the takeover of local Medicaid spending growth – driving the spending growth of Medicaid’s Managed Long Term Care (MLTC) program, noting that MLTC coverage costs about 10 times more than the coverage for individuals enrolled in mainstream managed care. The Budget presentation includes the following description of CDPAP as the main driver of growth:

*From FY 2013 to FY 2019, MLTC spending grew by 301 percent. Much of this spending growth was driven by the increase in use of the Consumer Directed Personal Assistance Program (CDPAP), which is designed to divert members from high-cost nursing homes and institutional settings to less costly in-home care that keeps them in their communities. From FY 2014 to FY 2019 CDPAP enrollment grew by 88 percent, well beyond the 23 percent increase in mainstream managed care enrollment. Between 2017 and 2018 alone, spending through CDPAP grew by 85 percent from \$1.3 billion to \$2.4 billion. For new recipients the initial Medicaid eligibility determination for long term care, including CDPAP, is made by local governments.*

**MRT:** Noting that “the MRT worked very well”, the governor said he would do an MRT II to save \$2.5 billion. The MRT will be co-chaired by Michael Dowling, President and Chief Executive Officer of Northwell Health, and Labor Leader Dennis Rivera, who led the first MRT. The governor’s directives to the MRT II are:

- Zero impacts on local governments
- Zero impacts on beneficiaries
- Find industry efficiencies and/or additional industry revenue
- Root out waste, fraud and abuse
- Report back in time for April 1<sup>st</sup> deadline

The New York State Department of Health has submitted a new \$8 billion 1115 Medicaid waiver amendment that establishes a framework for ongoing efforts to drive value. Of the \$8 billion requested:

- \$5 billion will be invested in Value Driving Entities;
- \$1 billion for workforce development;
- \$1.5 billion Developing Social Determinants of Health Networks; and
- \$0.5 billion in the Interim Access Assurance Fund, which supports distressed hospitals.

**Local Medicaid Share:** The Budget will require counties to adhere to the 2 percent property tax growth cap in order to receive the full benefit of the State takeover of Medicaid spending growth. Counties that do not stay within the limit will be penalized by limiting the State’s financing of growth in Local Medicaid expenditures to 3 percent annually.

**OMIG:** The Budget will add 69 staff to the Office of the Medicaid Inspector General (OMIG) in order to promote program integrity “to weed out programmatic fraud, waste and abuse within the Medicaid program and enhance program efficiency”.

**Prescription Drugs:** The Budget includes a three-part plan to lower prescription drug costs for all New Yorkers. The Governor’s proposal caps insulin co-payments at \$100 per month for insured patients to help address the rising cost of insulin that has resulted in diabetes patients rationing, skipping doses and not filling prescriptions.

**Increase Healthcare Cost Transparency:** The Budget supports the development of “NYHealthCareCompare”- a website that will allow New Yorkers to look up charges for medical services, the quality of services provided, and access information about financial assistance programs. Additionally, the website will include information about what to do about a surprise medical bill.

**Capital Financing for Essential Health Care Providers:** The FY 2021 Executive Budget will continue \$3.8 billion in capital investments for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, working capital and other non-capital projects.

### **Next Steps**

The policy team will be thoroughly reviewing the budget bills once they are released and we will distribute a comprehensive memo on the Executive Budget Proposal, covering all service lines, no later than next Tuesday, Jan. 28th.

At the same time, we will begin working on our advocacy message in preparation for our upcoming **Advocacy Days** and our presentation at the Joint Legislative Budget Hearings.

If you haven’t already started, now is the time to schedule Albany meetings with your lawmakers. Given the fiscal position of the State and the focus on Medicaid spending in particular, your advocacy is vital in accomplishing our budgetary and legislative goals. We hope that you can join us for a full day of grassroots advocacy on either (or both) of the following dates:

- **Tuesday, Feb. 4<sup>th</sup>** – Focused on Medicaid issues for Nursing Homes, MLTC, Home Care, Hospice, Adult Day Health Care – [Register Now!](#)
- **Tuesday, March 3<sup>rd</sup>** – Focused on Assisted Living, Housing, Aging Services (Social Day, Naturally Occurring Retirement Community (NORC)/Neighborhood NORC (NNORC)) – [Register Now!](#)

If you want assistance in setting up meetings with lawmakers, please do not hesitate to contact Sarah Daly at [sdaly@leadingageny.org](mailto:sdaly@leadingageny.org). Additional resources for members to use in setting up meetings include the [Find Your Legislator tool](#) and this simple [scheduling guide](#) to help you get on legislators’ calendars. Once your meetings are scheduled, please forward your meeting details to Sarah ([sdaly@leadingageny.org](mailto:sdaly@leadingageny.org)). Members should visit the [Advocacy Day page](#) on the LeadingAge NY website for full event details.

### **Advocacy Day Prep Call Set for Jan. 31<sup>st</sup>**

In preparation for Advocacy Day, LeadingAge NY and the Adult Day Health Care Council will be hosting a conference call for all attendees on Friday, Jan. 31<sup>st</sup> from 11 am to 12:30 pm. We plan to go over our materials (which will be distributed prior to the call), review important logistics, and answer any questions that participants may have. To join, please dial 1-888-475-4499 and enter the Meeting ID: 187-280-167. You can also join the call via [this link](#).

***LeadingAge NY staff are hard at work doing analysis and developing messaging about the financial condition of Medicaid providers, the year-over-year cuts and the increased mandates they have faced. We will be sure that you are prepared to tell your story to the lawmakers from your region.***

As always, thank you for your continued advocacy. Please let me know if you have any questions.

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