



May 13, 2014

Jason Helgerson
Medicaid Director
NYS Department of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

RE: Interim Access Assurance Fund

Dear Mr. Helgerson:

On behalf of LeadingAge New York, I am pleased to provide comments on the proposed Interim Access Assurance Fund (IAAF), part of New York's Delivery System Reform Incentive Program (DSRIP) initiative. LeadingAge NY represents over 500 not-for-profit and public providers of long-term and post-acute care (LTPAC) and senior services throughout the state. We respectfully urge the State to reconsider the eligibility criteria for the IAAF.

While we appreciate that the IAAF provides access to funding to enable providers that are financially distressed to participate in DSRIP projects, we question the Department of Health's decision to limit IAAF eligibility to safety net and major public hospitals. After all, both hospitals and non-hospital based providers are eligible to serve as DSRIP lead applicants. In addition, the Medicaid Section 1115 Waiver Special Terms and Conditions (STCs) do not appear to limit the types of providers eligible for the IAAF.

Furthermore, the State has acknowledged that other provider sectors are experiencing serious financial difficulty. For example, in the original Medicaid Redesign Team Waiver submission (*New York State Medicaid Redesign Team (MRT) Waiver Amendment: Achieving the Triple Aim*, Aug. 2012), it was noted that "...nearly one quarter of nursing homes within the state have been deemed to be in serious financial condition." The 118 nursing homes in this category experienced an average operating margin of -7.4 percent, versus a national average of +3.6 percent. In the nearly two years since submission of the original MRT waiver amendment, the numbers of LTPAC providers experiencing significant financial difficulties have grown considerably, as evidenced by increasing facility and agency sales, closures and downsizings.

As noted in our comments on the waiver STCs, any serious effort to reduce avoidable admissions and readmissions must incorporate LTPAC services, given the significant Medicaid beneficiary volume and dollars at issue. Successful management of elderly and disabled individuals outside of the hospital requires the involvement of LTPAC providers. By definition, most LTPAC providers are considered safety net eligible based on the large percentages of their patients who are Medicaid beneficiaries or

dual eligibles. Given the tenuous financial condition of many LTPAC safety net providers and their critical role in the success of DSRIP, they too should have access to financial support.

For all of these reasons, LeadingAge NY strongly recommends that non-hospital providers be eligible to apply for funding through the IAAF program. Thank you for the opportunity to provide input on the IAAF. If you have any questions regarding our comments, please do not hesitate to contact us at (518) 867-8383.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel J. Heim", with a long horizontal flourish extending to the right.

Daniel J. Heim
Executive Vice President