Managed Long Term Care Budget Requests

Overview: The Executive Budget proposes $133 million in cuts related to Managed Long Term Care (MLTC) in SFY 2019-20, growing to $148 million in SFY 2020-21. This is on top of cuts enacted in last year's budget that will already reduce MLTC funding by approximately $200 million in SFY 2019-20. Because Medicaid is such a significant payer in the long-term care sector, the proposed MLTC cuts will not only harm plans, but necessarily drive significant revenue reductions for long-term care providers. Moreover, the timing and nature of state budget cuts leads to volatility in plan revenue. Rate unpredictability makes it difficult for MLTC plans, including PACE programs, to operate and plan for the future; rate inadequacy puts them at risk.

Cuts to MLTC reimbursement threaten to undermine plan and provider finances and to destabilize the long-term care delivery system for consumers. The State has repeatedly imposed significant cuts in MLTC rates, while expecting plans to maintain the same or greater levels of services and to comply with an increasing number of administrative requirements. Most of this year's proposed reductions would be implemented without first detailing the programmatic implications or ensuring a commensurate decrease in plan costs. The same was true for many of the cuts to MLTC funding enacted in last year's budget, which drastically reduced plan rates without making programmatic changes that actually reduced plan costs. For example, last year's administrative and social day services cuts were to be accompanied by regulatory relief and guidance to plans on the most efficient uses of the social day benefit. However, neither guidance nor relief was provided, and plans realized no operational savings. Nevertheless, substantial rate reductions were implemented. Any rate cuts adopted in SFY 2019-21 should be accompanied by actual and equivalent programmatic savings within the same time frame as the rate cut.

LeadingAge New York urges the Legislature to seek improved efficiencies in MLTC without threatening the viability of MLTC plans and the long-term care services they support. We ask that you reject the following proposals:

- **Rate reduction in anticipation of EISEP savings:** The Executive Budget projects a $68 million (all funds) savings associated with a $15 million investment in State Office for the Aging EISEP program. The $15 million investment is intended to help low-income seniors who need some home care to avoid spending down to Medicaid eligibility and transitioning into MLTC or nursing homes. However, DOH has suggested that the $68 million in savings will not be derived entirely from diverting seniors from enrolling in Medicaid. Instead, at least a portion of the $68 million, if not the entire amount, will be taken out of the rates MLTC plans and home care agencies are paid for seniors who are enrolled in Medicaid. MLTCs and home care agencies are expected to provide the same level of service to Medicaid beneficiaries, but will be paid about $68 million less for doing so. ***Our request: Prevent the anticipated EISEP savings from being implemented as MLTC or provider rate cuts.***

- **Management of personal care:** The Executive Budget would cut MLTC rates by $50 million (all funds) based on anticipated reductions in personal care services to be achieved through regulatory amendments that would allow MLTC plans to more effectively control personal care utilization. This provision would be implemented administratively and reduce plan rates before the impact of the regulations on utilization could be measured and before plans would realize potential savings from the change. While we support appropriate utilization controls on personal care, we oppose significant rate reductions in advance of the implementation of those controls and in the absence of evidence that they will yield the expected savings. Without first drafting and implementing the regulatory amendments, the State has no

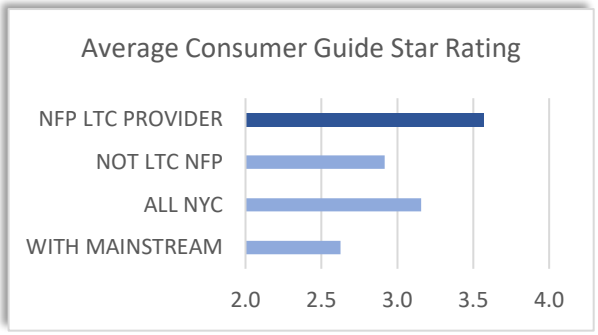
way of knowing whether they will be able constrain personal care utilization and the amount of savings they will generate. ***Our request: Restore $25 million (State share) in cuts related to personal care utilization management.***

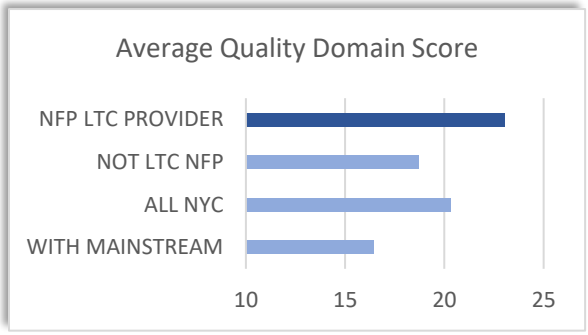
- **MLTC plan transportation:** The Executive Budget would eliminate transportation from the MLTC benefit package and delegate responsibility for managing Medicaid transportation for MLTC members to the State's transportation management contractors on a fee-for-service basis. Effective Oct. 1, 2019, this proposal would provide a $12.8 million (all funds) savings. While a few plans support the carve out, others operate their own fleet of vehicles and/or prefer to oversee transportation closely as part of overall care management and supports for members. By employing the drivers or controlling the contracts with their vendors, they are able to deliver personally-tailored transportation to the frail elderly and disabled individuals whom they serve. The State's contractors are often unable to deliver the same level of service, especially in upstate communities, resulting in lengthy waits, stranded clients, and missed medical appointments. ***Our request: Preserve the ability of MLTC plans to manage transportation services for the Medicaid beneficiaries they serve by rejecting this proposal and restoring the associated funding.***

Help ensure that state policies recognize the unique role that plans sponsored by non-profit, provider-based organizations play in caring for frail New Yorkers.

The development and success of the MLTC program is linked to the active participation of MLTC plans, including Programs of All Inclusive Care for the Elderly (PACE), sponsored by not-for-profit, long-term care providers. These plans draw on the decades of experience in long-term care services shared by their sponsors. They are deeply rooted in their communities and understand the challenges faced by their members and the resources available to them. They also understand the operational and financial challenges of their network providers and are well-equipped to work collaboratively to optimize quality and use resources efficiently. With an exclusive focus on the needs of older adults and people with disabilities, we believe plans sponsored by non-profit LTC providers are better equipped to provide person-centered care management and support members to live independently in their communities.

Plans sponsored by non-profit, long-term care providers score higher in quality measures.[i]





[i] Source: NYS DOH, 2017 A Consumer's Guide to Managed Long-Term Care in New York City and DOH 2017 MLTC Quality Pool Results for NYC Partial-Cap Plans. MLTC Consumer Guides list composite quality star ratings for plans in the region by type. The overall rating is based on domains that include preventive care, quality of life, satisfaction and stability/improvement. The first graph shows the average star rating of partially capitated plans currently operating in New York City and compares it to the group average for plans operated by non-profit, long term care provider organizations, to the group average for plans that do not meet those criteria, and to the group average for plans that also operate a mainstream Medicaid product. The second graph shows group averages based on the same groupings of the quality domain score of the 2017 MLTC Quality Pool. Note that while the quality pool graph is based solely on plans currently operating in NYC, the quality pool calculations are based on entire plan membership. These comparisons show that among those plans that serve the vast majority of MLTC members (partially capitated MLTC plans in the NYC area), plans sponsored by non-profit, long term care provider organizations score highest on these key DOH quality measures.