



13 British American Blvd., Suite 2, Latham, New York 12110 Telephone (518) 867-8383 Web [www.nyahsa.org](http://www.nyahsa.org)

## MEMORANDUM

**TO:** All Members

**FROM:** Dan Heim, Interim President/CEO  
Patrick Cucinelli, Senior Director of Public Policy Solutions

**DATE:** January 31, 2011

**SUBJECT:** **Medicaid Redesign Team**

**ROUTE TO:** Administrator/Director

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ABSTRACT: NYAHSA shares Medicaid redesign concepts with administration.

### Introduction

NYAHSA has been in discussions with the governor's [Medicaid Redesign Team \(MRT\)](#) over the past several weeks. As stated in Executive Order # 5, the MRT is charged with conducting "a fundamental restructuring of its Medicaid program that achieves measurable improvement in health outcomes, sustainable cost control and a more efficient administrative structure." This initiative is under the direction of State Medicaid Director Jason Helgeson, who administered a similar program known as the [Wisconsin Medicaid Rate Reform Project](#).

NYAHSA has a meeting with Mr. Helgeson and Jim Introne, the governor's Deputy Secretary for Health and the Director of Healthcare Redesign, on February 7 to further discuss our recommendations to the MRT.

### Current Environment

The MRT comes at a time when the state is facing an estimated \$9 to \$11 billion budget deficit. In supporting the efforts of the MRT on behalf of our members, NYAHSA is supporting the shared goals of making our Medicaid program more efficient and sustainable, while also seeking to improve the quality of care for our members' residents/patients. We also hope that by demonstrating to the state that cost savings and good public policy go hand in hand, we can help enforce the case that simply cutting provider rates for the sake of short term savings is indeed bad policy.

Providers have suffered under this short-sighted strategy for several years. In fact, over the past three years, long term care providers have been hit with over \$1.5 billion in cuts, and yet the state never seems to be able to get past its ongoing budget problems. We agree that meaningful Medicaid redesign is a major part of the answer for the state's budget problems. Rate cuts that simply drive already cash-starved and financially shaky providers to the brink, have never been a solution and never will solve the problem.

## **NYAHSA's Recommendations**

Over the past few weeks, NYAHSA's staff has been working with our Board, Cabinets, councils, and members in general in putting together our recommendations to the MRT. Using the ideas and strategies developed in our Vision 2020 white paper as the guide, the attached ***Priority Recommendations*** is a listing of the measures we are initially recommending to the MRT. Our most recent submission to the MRT included a detailed analysis of a series of measures taken from this list that we believe constitute significant and measurable cost savings to Medicaid.

## **Conclusion**

Again, NYAHSA supports the concept of meaningful Medicaid redesign, and we believe that we have been a leader in promoting reform on behalf of our members. At the same time, we stand ready to fight against the notion that simply cutting rates constitutes any kind of a solution. As in the past we stand ready to commit our resources in support of reform, and we invite all our members to review the list and share any additional thoughts or suggestions with us. As the MRT process continues to unfold, NYAHSA will be actively involved on behalf of members, keeping you informed and seeking your direction.

Please contact Dan Heim at [dheim@nyahsa.org](mailto:dheim@nyahsa.org) or 518-867-8866; or Patrick Cucinelli at [pcucinelli@nyahsa.org](mailto:pcucinelli@nyahsa.org) or 518-867-8827 with any questions or comments.

Attachment

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## NYAHSR PRIORITY RECOMMENDATIONS MEDICAID REDESIGN TEAM

### A. Bending the Cost Curve Through Policy and Reimbursement Reform

*This area includes preserving Medicaid and generating new sources of program financing; reforming regulations and reimbursement policies and increasing access to affordable capital.*

1. Enhance Medicaid estate recoveries by centralizing collections and broadening assets subject to collection.
2. Eliminate Medicaid spousal refusal.
3. Maximize Medicare funding.
4. Maximize veteran's benefits funding.
5. Allow for less restrictive continuing care retirement community (CCRC) reserve and investment policies, currently set by the Department of Insurance, to facilitate expansions in the number of CCRCs and the services they can provide.
6. Allow Article 46 CCRCs to enter into fee-for-service contracts.
7. Cap the personal care program at 75% of the nursing home rate. Recipients who exceed the cap will be automatically enrolled in case managed programs – the long term home health care program (LTHHCP), managed long term care (MLTC), programs of all-inclusive care for the elderly (PACE) and Medicaid advantage plans (MAP).
8. Reorganize the personal care program to ensure that that accountability and risk are shared among patients, providers and payers, and that opportunities in the federal Affordable Care Act (ACA) to increase federal financial participation are leveraged.
9. Speed up the admission process for adult care facilities (ACFs) and assisted living (AL) facilities by allowing some flexibility in the paperwork and allowing nurse practitioners to sign medical evaluations.
10. Eliminate the requirement for an assisted living program (ALP) to contract with a certified home health agency (CHHA) or LTHHCP, and allow the ALP's licensed home care services agency (LHCSA) to provide all services it otherwise can to people living in the community.
11. Combine and restructure the administration of all Home and Community-based 1915(c) waiver programs to eliminate redundancy, increase efficiency and generate state savings.
12. Allow nursing homes and other LTC providers to include binding arbitration provisions in their admissions agreements, and undertake other efforts to reduce liability insurance costs.
13. Provide access to affordable capital financing. Reauthorize industrial development agency (IDA) authority to provide capital financing for "civic facilities" and CCRCs and develop a state financing program for small loans to long term care (LTC) providers.
14. Negotiate a new shared savings agreement (i.e., similar to F-SHRP) with the federal government, aimed at decreasing the cost of Medicaid and utilizing the associated shared savings to fund grants to LTC providers to support many of the initiatives listed herein.

### B. Ensuring Access to Senior Living, Services and Supports

*This area includes expanding access to a full range of services and affordable housing.*

1. Create a task force or executive council/agency dedicated to reviewing the array of programs and making recommendations on integrating senior services and housing with a consumer-centric, quality focus and educating the public on individual responsibility to plan for LTC needs.
2. Lift the moratorium on partial cap program expansion to increase MLTC options until fully integrated programs are more widely available.

3. Simplify and speed up admissions to ALPs by allowing them to conduct initial assessments and Local social services districts (LSSDs) would retrospectively review some/all enrollments to ensure program integrity while avoiding admission delays.
4. Simplify and speed up enrollment by allowing MLTC plans to assess and enroll members without LSSD prospective assessment. LSSDs would retrospectively review some/all enrollments to ensure program integrity while avoiding enrollment delays.
5. Simplify and speed up admissions to LTHHCPs by allowing them to conduct initial assessments and LSSDs would retrospectively review some/all enrollments to ensure program integrity while avoiding admission delays.
6. Ensure NYS Office for the Aging and Older Americans Act programs are adequately funded to delay/prevent reliance on more expensive Medicaid funded services.
7. Restore and expand the Low Income Housing Tax Credit program, the Low Income Housing Trust Fund program and the HOME program to promote senior housing development.
8. Expand supportive community models including naturally occurring retirement communities (NORCs), Villages and Aging Friendly Communities.
9. Accelerate the shift from institutional care to home and community-based services (HCBS), by supporting expanded access to less expensive senior housing and HCBS through: 1) advancing NYAHS's freedom of choice act and 2) expanding Medicaid coverage for AL services.
10. Amend the DOH regulation for CCRCs to allow unrestricted direct admissions (non-residents) into the CCRC ACF and nursing home levels of care provided it does not impact resident access.

### **C. Achieving Quality Outcomes**

*This area includes promoting and expanding new models of care; improving coordination of health services and supports; and revisiting government oversight and consumer satisfaction.*

1. Develop collaborative approaches with LTC providers to take advantage of care coordination opportunities (e.g., health homes, accountable care organizations) as authorized under the ACA.
2. Create a task force comprised of providers and other stakeholders to develop a comprehensive model for post acute care bundling.
3. Implement targeted regulatory reforms aimed at increasing efficiency, expanding provider flexibility and allowing greater consumer choice.
4. Reorganize the ACF/AL survey process, without compromising the integrity of oversight, to free up resources to address "look-alike" entities that should be licensed as ACF/AL.

### **D. Promoting the Use of Technology**

*This area includes increasing access to health information technology (HIT) and supporting senior living and services with assistive technologies.*

1. Provide seed capital for technologies, including electronic health records, telehealth and monitoring technologies, to improve quality of services, increase efficiency and allow seniors to remain in independent settings longer. These investments will ultimately save money over time.
2. Advance initiatives for the coordination of HIT efforts between state agencies and regional health information organizations, and ensure that aging services and housing providers are integrated in the process. Early integration will help ensure a framework which results in greater efficiencies and cost-savings over time.