

MEMORANDUM

A.2044 (Paulin)/S.6266 (Salazar)

AN ACT to amend the social services law and the public health law, in relation to establishing a quality incentive program for managed care providers

LeadingAge New York, and its not-for-profit and government-sponsored members, strongly support this bill which would codify in statute quality incentive programs for the state's Medicaid Managed Care (MMC) and Managed Long Term Care (MLTC) programs. Currently, the Department of Health (DOH) operates quality incentive programs (QIPs) for both MMC and MLTC under its administrative authority. These programs distribute quality incentive payments equivalent to approximately 1 percent of overall annual premium spending to those managed care organizations with high performance on specified quality measures.

QIP funding has been the repeated target of proposed and actual reductions during recent years, including this year's proposal to eliminate the programs. While the proposed cut was restored, this legislation would help ensure continuity of quality initiatives by helping to avoid such disruptions in the program going forward.

The bill also requires that QIP programs be structured in ways that provide the greatest level of funding to those Managed Care Organizations (MCOs) with the highest quality scores and requires the Department to set the quality objectives in advance of the measurement period. Given that quality initiative programs are commonly used to focus provider and MCO quality efforts on specific concerns, knowing those quality objectives in advance is critical for maximizing the effectiveness of quality improvement efforts.

QIP programs incentivize the delivery of high-quality services and support value-based payment (VBP) initiatives between MCOs and providers. They fund critical investments in quality initiatives and the delivery of cost-effective services that are not otherwise covered by Medicaid but serve to improve quality. Unfortunately, the Executive has repeatedly targeted these important programs for reductions, including, most recently, a 25 percent cut enacted in FY2021 and the proposed elimination this year. Interruptions and reductions in funding only serve to undermine the plan-provider partnerships needed for effective quality improvement initiatives. These initiatives, that often focus on state priorities such as health equity and social determinants of health, deserve the chance to succeed which requires consistency in funding. By codifying QIP, the bill will help provide the structure and funding certainty required to maximize the effectiveness of quality improvement efforts that enhance the lives of the millions of New Yorkers served through the MMC and MLTC programs.

For these reasons, LeadingAge NY supports A.2044 (Paulin)/S.6266 (Salazar) and urges that it be adopted.

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LeadingAge New York represents over 400 not-for-profit and public long-term care providers, including nursing homes, home care agencies, senior housing, retirement communities, assisted living, adult care facilities, adult day health care and managed long term care.

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