TESTIMONY OF

THE NEW YORK STATE COALITION OF MANAGED LONG TERM CARE PLANS

ON THE GOVERNOR'S PROPOSED SFY 2025 HEALTH AND MEDICAID BUDGET

SUBMITTED FOR THE

Joint Legislative Budget Hearing on Health

SENATE FINANCE COMMITTEE CHAIR LIZ KRUEGER AND ASSEMBLY WAYS AND MEANS COMMITTEE CHAIR HELENE E. WEINSTEIN PRESIDING

JANUARY 23, 2024

About the MLTC Coalition

Members of the Joint Legislative Budget Committee: Thank you for the opportunity to testify on behalf of the New York State Coalition of Managed Long Term Care Plans ("MLTC Coalition"). The MLTC Coalition **represents 11 plans serving approximately 165,000 individuals with long-term care needs** in New York's Managed Long Term Care (MLTC) partial capitation program ("Partial Cap") and Medicaid Advantage Plus (MAP) program—more than half of all enrollees in these programs.

MLTC Coalition plans are essential to the health, wellbeing, and independence of hundreds of thousands of New Yorkers enrolled in the program. Coalition plans offer personalized care management services and other vital supports to Medicaid consumers, ensuring that their health and personal care needs are met in a way that allows them to live as independently and safely as possible when they can no longer perform everyday activities on their own. There is more than a decade of data demonstrating how MLTC plans have improved the lives of the State's most vulnerable New Yorkers, helping residents who can be safely served in the community avoid institutionalization.

The priorities that follow reflect the need to preserve and protect New York State's Medicaid Managed Long Term Care program and the vital services and supports it provides to consumers and families.

Avoid Disrupting the Care and Coverage of Vulnerable New Yorkers by Rejecting Medicaid Managed Care Procurement (HMH Part H)

The Executive Budget proposes having the Department of Health (DOH) conduct a procurement of all Medicaid managed care programs, including its managed long term care programs. This proposal, which was put forward and rejected by both houses in the SFY23 budget process, has the potential to **limit plan choice** for low-income residents, **significantly disrupt enrollee coverage and care**, particularly that of the State's most vulnerable populations, **negatively impact local economies** where managed care plans and their provider partners are key employers, and **drain critical DOH resources**, which are already stretched very thin and will be further strained as DOH works to implement New York's recently-approved 3-year $7.5 billion 1115 waiver. Further, for MLTC plans, this procurement proposal follows the substantial reforms included in the SFY24 enacted budget—reforms that are still in progress and have already led to significant market consolidation.

Procurements the size of what is being proposed by the Governor take *years*, cost millions of State dollars, often result in protracted litigation and are regularly cancelled (see recent examples in California, Texas, New Mexico, Washington, DC, Rhode Island and Louisiana)—all with little benefit to the State or its Medicaid enrollees. There is also concern that such a procurement could lead to local non-profit plans leaving the market. Instead of pursuing a highly resource-intensive and costly procurement, the State can and should make improvements to its Medicaid managed care programs under existing authority.

- ***Disruption in Enrollee Care.*** Procurement could disrupt the care and coverage of hundreds of thousands of New Yorkers and reduce plan choice for the State's lowest income residents. It would sever longstanding relationships between members—including individuals with chronic physical, behavioral health and/or long-term care needs—and their plans, providers, and care managers. With the SFY24 MLTC reforms already reshaping the MLTC plan landscape (reducing the number of plans by more than a third, from 22 plans to 14), now is not the time for any further disruption to the program and reduction in enrollees' choice of plan.

- ***Damage to Local Economies.*** Managed care plans serve many roles in their communities, including employer. In closing plans across the State, the Governor's proposal would eliminate an important source of jobs. Coalition plans alone have headquarters and regional offices in 18 counties across the State, and this does not include "storefront" or community-based offices, where plan staff help community members enroll in public coverage and get connected with primary care.
- ***Drain on State Resources*.** Recent experience in other states shows that Medicaid managed care procurements can take years longer than anticipated, require intensive state resources to develop and manage, be confusing to consumers, and result in protracted litigation—with little benefit to the state or its Medicaid enrollees. New York's own experience with Medicaid procurements (most recently, for Fiscal Intermediaries for the Consumer Directed Personal Assistance Program) bears this out. Procurement would also divert already-stretched DOH attention and resources away from other efforts to improve health and wellbeing and address health disparities—including the new health equity-focused initiatives authorized in the State's 3-year 1115 waiver amendment. **Put simply, the level of disruption is too high, the opportunity cost is too great, and the outcomes too uncertain.**

For all of the aforementioned reasons, we urge the Legislature to reject the Medicaid managed care procurement proposal.

Restore and Make Permanent Critical Investments in Medicaid Managed Care Quality

The State's MLTC Quality Incentive Program (QIP) funds critical investments in provider quality and community-based initiatives that improve health outcomes and address health-related social needs for the State's most vulnerable populations. Plans meeting State-determined quality metrics earn QIP awards that enable them to pay providers for delivering high-value care and advancing evidence-based practices. In addition to delivering much-needed funds to Medicaid providers, the QIP funds essential services to members—services that improve members' health outcomes, reduce health disparities, and increase quality of life. Some examples include:

- **The delivery of key services to homebound MLTC members**—services like hearing, vision and dental exams, flu vaccinations administered by nurse practitioners and fall prevention strategies, all of which help keep members healthy at home but are not reimbursed under the MLTC program.
- **Investments in staff and programs to support social determinants of health interventions**, for example, to employ housing coordinators who assist members with housing applications and help navigate the placement process, and partner with community organizations to provide food supports for members who are food-insecure.
- **Specialized case management programs for high-risk members**, such as a Care Transitions Program that facilitates smooth discharge from acute care to rehabilitation settings to the home to reduce the risk of readmission and integrated case management for members with physical and behavioral co-morbidities.
- **Programs that increase access to care and services for members**, including offering 24/7 on-demand video and telephone access to a licensed medical professional for non-emergency conditions and a team of dedicated staff to support members needing assistance with scheduling appointments.
- **Programs that facilitate deeper member engagement** through texts, calls, and mailings that remind members and their families or caregivers of important health screenings, appointments, and medications due for pick-up at the pharmacy.

Despite the positive impact and significant value created by the MLTC QIP—and the Governor's stated priority to improve the health and wellbeing of New York's vulnerable populations and reduce health disparities—**the SFY25 Executive Budget proposed eliminating all Medicaid quality funding.** The Governor proposed the same level of quality cuts (i.e., eliminating all funds for these programs) last year as well, though fortunately the Legislature largely restored funds for SFY24. The fact that MLTC and Mainstream Medicaid Managed Care (MMC) QIP funding allocation is administrative and subject to the uncertainties of the State's budget process has led to **massive instability in the programs**: each year, plans do not know whether there will be funding available or how much there will be to pay their provider and community-based partners. **This instability stands in the way of sustainable investment in health care quality in New York Medicaid.**

Last year, in recognition of how important these programs are to the Medicaid community, both the Senate and the Assembly ***unanimously*** passed legislation that would make the MLTC and MMC QIPs permanent, though Governor Hochul vetoed that legislation in December. Senator Mannion has reintroduced legislation this session, Senate Bill S.7992. ***We urge the Legislature to reject the Governor's proposal to defund these critical Medicaid quality programs and to support the inclusion of Senate Bill S.7992 in any enacted budget to ensure sustainable funding for what has become a powerful tool for driving high-quality and high-value health care for the State's lowest income residents.***

Thank you again for the opportunity to provide testimony on these critical issues. MLTC Coalition plans look forward to continuing their partnership with the State to ensure strong and sustainable safety net health programs and to best serve the New Yorkers that rely on them.

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The MLTC Coalition launched www.MLTCcares.com to encourage lawmakers to protect the program from irreparable harm and spending cuts and highlight the vital role MLTC plans play in helping vulnerable New Yorkers live healthy and independent lives. If you have any questions, please do not hesitate to contact the Coalition's representatives at Manatt, Tony Fiori (AFiori@manatt.com) and Hailey Davis (HDavis@manatt.com).

APPENDIX: MEMBERS OF THE COALITION OF MANAGED LONG TERM CARE PLANS

Plan	Product Lines Offered	Counties Served
ElderServe Health (RiverSpring Health Plans)	Partial Capitation MLTC, MAP	New York City, Nassau, Suffolk, Westchester
EverCare	Partial Capitation MLTC	Dutchess, Orange, Rockland
Fidelis Care at Home	Partial Capitation MLTC, MAP	New York City and 57 additional counties[1]
Hamaspik Choice	Partial Capitation MLTC, MAP	Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster
HomeFirst/Elderplan	Partial Capitation MLTC, MAP	New York City, Dutchess, Nassau, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester
MetroPlus Health Plan	Partial Capitation MLTC, MAP	New York City
Nascentia Health	Partial Capitation MLTC	Albany and 47 additional counties[2]
Senior Health Partners/Healthfirst	Partial Capitation MLTC, MAP	New York City, Nassau, Westchester
Senior Network Health	Partial Capitation MLTC	Herkimer, Oneida
VillageCareMAX	Partial Capitation MLTC	New York City
VNSNY Choice	Partial Capitation MLTC, MAP	New York City and 28 additional counties[3]

[1] Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Nassau, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Westchester, Wyoming, Yates.

[2] Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Rensselaer, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Tioga, Tompkins, Warren, Washington, Wayne, Wyoming, Yates

[3] Albany, Columbia, Delaware, Dutchess, Erie, Fulton, Greene, Herkimer, Madison, Monroe, Montgomery, Nassau, Oneida, Onondaga, Orange, Otsego, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Suffolk, Sullivan, Ulster, Warren, Washington, Westchester