

Medicaid

Medicaid Matters New York

Matters

Testimony to the Assembly Ways & Means and Senate Finance Committees Joint Legislative Budget Hearing 2019-2020 Executive Budget on Health/Medicaid February 5, 2019

Medicaid Matters New York is the statewide coalition of consumers, advocates, and organizations representing the interests of Medicaid beneficiaries. Our membership is comprised of consumers, community-based organizations, health and human services providers, legal services agencies, and groups that work with specific constituencies (like people with disabilities, people who are homeless, etc.), all united around our mission: to represent the interests of Medicaid beneficiaries in any and all discussions and debates related to New York's Medicaid program.

In recent years, Medicaid Matters has focused attention on several key state policy initiatives aimed at redefining the way services are delivered and paid for in New York. Our work has concentrated on how consumers, the services they use, and the safety-net providers they rely on are impacted by implementation of "Care Management for All." This is an initiative designed to move all Medicaid beneficiaries and services into managed care or other models of care management. We have also been involved in payment and delivery system reform efforts, namely the Delivery System Reform Incentive Payment (DSRIP) program and Value Based Payment (VBP).

While the initiatives Medicaid Matters has focused on have been largely "off budget" administrative actions being taken by the Department of Health and other agencies, the state budget has also been an area where major reforms have taken shape. Our job as consumer advocates is to highlight how we think proposed changes could impact real people and their access to services.

Maintain access to community-based long term services and supports

The Governor's budget proposes to make significant changes to the Managed Long Term Care (MLTC) program. Medicaid Matters **opposes** the following proposals, as they would limit access to needed long term services and supports and/or would lead to institutionalization, rather than allowing people to live in their homes:

- Drastic changes to the Consumer Directed Personal Assistance Program (CDPAP), which would decimate the program (Part G, §2-4);
- Amendment to the regulations governing reductions in personal care hours (Executive Briefing Book, page 85);
- Reduction of Medicaid benefits for low-income Medicare beneficiaries who rely on Medicaid or Qualified Medicare Beneficiary benefits to make Medicare affordable (Part C, §2-3)

Managed Long Term Care has been in the Governor's crosshairs for a few years, but drastic cuts and changes to the way home-based services and supports are administered pose significant risks to people with disabilities and low-income seniors. **Consumer Directed Personal Assistance**

in particular is a highly cost-effective program, which comes with high consumer satisfaction. In many counties, traditional home-based services are not available because they are not approved or because the workforce cannot support them. The State must abide by the *Olmstead* decision and its own Olmstead Plan, providing robust access and individual choice, allowing people to live in the most-integrated setting, independently in their homes and communities.

Secure and expand access to coverage

New York's Medicaid program has a long history of casting a wide net to provide public insurance coverage for as many uninsured, vulnerable people as possible. This year, however, the Governor has failed to expand coverage to the remaining uninsured New Yorkers, many of whom are immigrants. The budget does include the creation of a commission to study coverage expansion, but no New Yorker should have to go another year without access to an affordable public insurance coverage option. Medicaid Matters urges the State to expand the Essential Plan to **make sure all immigrants have insurance coverage**.

As part of his proposed Executive Budget, the Governor announced the State will seek Federal approval to **provide Medicaid coverage to inmates** in prisons and jails 30 days prior to reentry. This will allow them to begin to access needed health and mental health services prior to leaving incarceration. Medicaid Matters supports this proposal.

The Governor's budget once again proposes to eliminate the longstanding right of **spousal/parental refusal** for children with severe illness, low-income seniors who need Medicaid for home care and other services excluded by Medicare, and other vulnerable populations (Part G, §1). Under the proposal, the "refusal" would be honored and Medicaid granted only if a parent lives apart from a sick child, or the well spouse lives apart from or divorces a spouse with long-term needs.

Medicaid Matters opposes denying Medicaid to these vulnerable groups by eliminating spousal/parental refusal; the projected cost savings from this action are small and not worth the impact on spouses and families. In fact, the increased insecurity of these consumers and their families may incur further health care and social costs that have not been adequately understood or included in budget assumptions.

Ensure access to needed services

In the area of Medicaid pharmacy, the Governor once again proposes to eliminate "**prescriber prevails**" in fee-for-service Medicaid and Medicaid managed care (Part B, §3), which Medicaid Matters opposes. Medical providers who prescribe specific drugs and drug combinations are best suited to have the final word as to their patients' prescriptions.

Medicaid Matters opposes the proposal to increase **non-prescription drug co-pays** from 50 cents to one dollar (Part B, §2). Even seemingly modest increases in consumer cost-sharing can pose a barrier to needed medications for low-income people. The budget also includes a provision that would eliminate medications from the **list of covered over-the-counter products** without public notice and comment (Part B, §1). Medicaid Matters also opposes this provision.

Along with the release of the Executive Budget, the Governor announced the State will pursue Federal approval to use Medicaid dollars to provide **housing support services**, such as assistance with housing applications and education about tenant rights. Medicaid Matters supports this initiative.

Fund consumer assistance

The **Community Health Advocates** (CHA) program is the state's consumer assistance program that helps 30,000 individuals and small businesses each year (including Medicaid beneficiaries) understand, use, and keep their coverage. CHA also helps those not eligible for insurance access affordable care. The CHA program was funded at \$2.5 million in the Governor's budget, but needs an additional \$4 million to maintain services at its current level. Medicaid Matters calls on the Legislature to help this vital program remain whole.

Protect the health care safety net

Medicaid Matters urges the Legislature to fix the way **hospital charity care** funding is distributed by adopting a methodology that more fairly compensates safety-net hospitals that serve low-income people. Disproportionate Share Hospital (DSH) funding is intended to support hospitals that serve a disproportionate share of people who are uninsured and Medicaid patients. In New York, however, this funding often subsidizes profitable hospitals that serve few low-income patients.

A portion of New York's DSH funds (\$1.1 billion) is distributed through the Indigent Care Pool (ICP), which historically provided bad debt and charity care funding. The State developed a new funding formula in 2012, which eliminated the bad debt portion of the distribution. The formula more fairly allocates ICP funding based on actual units of care provided to low-income patients, but the State instituted a three-year transition period – referred to as a “transition collar” – to limit hospitals' immediate losses. That temporary transition period has since been renewed for an additional five years. Medicaid Matters urges the Legislature to end the transition collar.

Additionally, the Legislature should distribute DSH funds to true safety-net hospitals. In 2018, a workgroup convened by the Governor met to develop recommendations for achieving this. During the workgroup's proceedings, New York City Health + Hospitals presented a proposal that would more fairly distribute the funds. Medicaid Matters joined other consumer advocate and community groups, along with labor representatives, to endorse the Health + Hospitals proposal. We urge the Legislature to include the Health + Hospitals Community proposal in the state budget.

Closing

Thank you for the opportunity to submit testimony. We look forward to working with you and your staff toward an enacted state budget that takes Medicaid consumer impact into consideration and protects consumers and the safety-net providers on which they rely.