



Date: June 9, 2015

To: Senator Kemp Hannon

From: Home Care Association of New York State (HCA)
LeadingAge New York (LANY)
New York State Association of Health Care Providers (HCP)

Subject: Support for Introduction of CHHA Episodic Pricing System Amendment

HCA, LANY and HCP support the introduction and passage of the attached proposal amending the certified home health agency (CHHA) episodic pricing system (EPS) rebasing language, and appreciate your willingness to consider sponsorship.

We have been informed by the State Department of Health that the 2015-16 state fiscal plan adopted with the state budget contains a projected \$30 million reduction to Medicaid reimbursed home care as a result of the Department's planned rebasing of the EPS system from the current 2011 base year to a 2013 base year.

The Department has announced that it will be implementing a 12 percent across-the-board reduction in EPS payments to agencies retroactive to April 1, 2015, through September 30, 2015. The Department plans to implement the actual rebasing, and revised payment levels from rebasing, beginning October 1.

The Department has further announced that it expects rebasing to produce cuts well beyond the \$30 million amount that was projected in, and ostensibly agreed upon for, the 2015-16 state fiscal plan.

Home care cannot sustain such cuts, especially in the context of the myriad changes, new policies and models being implemented by the state which directly depend upon home care services, and which require home care *investment, not cutbacks*.

While we oppose any such cuts to home care through the rebasing methodology, we are concerned that, absent language circumscribing the amount of the cut in the fiscal plan agreement, home care is vulnerable to the Department's fiscal action.

We believe the proposed language, limiting the rebasing reduction to the fiscal plan projection, will allow the fiscal plan to go forward and prevent the imposition of these further cuts to the system.

Thank you for your consideration.

Attachment