



March 17, 2017

Honorable U.S. Senator Charles Schumer
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Schumer:

As President of the Home Care Association of New York State (HCA) – whose home care, hospice and managed long term care members serve 375,000 Medicaid recipients and 180,000 Medicare beneficiaries – I strongly urge you to oppose the current legislation to repeal and replace the Affordable Care Act (ACA).

I join my colleagues from hospital and community health care groups, insurance representatives, practitioner organizations (including physician and nursing representatives), and consumer groups who recognize that this bill would deprive citizens of life-saving coverage, recklessly destabilize insurance markets, and create a fiscal crisis for states like New York. New York State has made enormous strides in developing a Medicaid program that serves the extensive needs of our elderly and young disabled populations through robust home and community-based programs that provide high quality life-saving, long-term and rehabilitative care for residents.

The American Health Care Act (AHCA) will undercut health care coverage for over one million New Yorkers, including coverage obtained by the home care workforce and individuals who receive home care through Medicaid and Medicare. It not only eviscerates ACA's expansion of Medicaid but also dismantles the fundamental structure of the Medicaid program and its longstanding contract with citizens to better the lives of lower-income Americans.

New York State has relied on ACA's Medicaid expansion, and the bedrock of Medicaid's core structure and existing waivers, to implement programs that are already driving service and payment delivery changes including the Delivery System Reform Incentive Payments and Value Based Payments initiatives. These programs aim to reduce unnecessary hospital use by 25%; target interventions toward at-risk populations; and incentivize risk-based provider models to save costs and promote value over volume in health care. While home care providers have received very little of the direct Medicaid investment from these funds, these programs have become embedded in New York State's policy and delivery structure. Eliminating their federal sponsorship and support would cause massive dislocation and destabilization of our state's Medicaid program.

This Medicaid disinvestment would knock a multibillion-dollar hole in New York's state budget for safety-net health care services and program innovations, shifting \$4.5 billion in Medicaid costs to state and county governments as well as providers over the next four years.

The bill's per-capita Medicaid spending caps are expected to substantially reduce the federal-share of state Medicaid funding, resulting in major fiscal instability for New York's health care system and, in turn, threatening dislocation of existing fund obligations, the potential elimination of Medicaid benefits impacting lower-income home care recipients, or provider funding reductions at a time when two-thirds of New York's home care programs are already operating in the red on services to both Medicare and Medicaid beneficiaries.

All told, the per-capita caps would place enormous pressure on state resources that currently cover many direct-care employees and patients receiving home and community-based services. It would cause a devastating fiscal crisis for New York's Medicaid program, which is one of the predominate sources for home care service coverage and support for lower-income New Yorkers who are disabled, chronically ill or elderly.

ACA is by no means perfect. In fact, it includes many provisions that negatively impact home care providers, from new regulatory requirements, to unfunded labor costs, to employer penalties, to Medicare reimbursement changes for home care. These elements can – and should – be addressed in a surgical way. HCA has strongly advocated for these modifications to the ACA for many years. However, the AHCA legislation cuts deep into fundamental programs, funding mechanisms and coverage provisions that would cause massive disruption in services, financial structures and markets throughout the entire health care continuum.

HCA would be pleased to work with you and other Members of the New York Congressional Delegation on common-sense changes to the ACA that would benefit the home care provider community. Absent that, I urge you to oppose this bill and consider its consequences for New Yorkers as deliberations continue in Congress. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Joanne Cunningham". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Joanne E. Cunningham
President
Home Care Association of New York State (HCA)