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Home Care Community Issues Plan Calling for Policies to Better Assure Success of State's Two-Year Medicaid Redesign Project

Three-point plan, presented on HCA's State Advocacy Day, seeks transition support, targeted regulatory relief, and fiscal stability measures

ALBANY – During its 2013 State Advocacy Day today, the Home Care Association of New York State (HCA) is issuing a *Three-Point Plan to Support Home Care and Ensure Success of State Redesign Efforts*. The plan urges action on a series of proposals designed so that New York's home care system can be a viable source of support for major ongoing state Medicaid redesign efforts. The plan calls for:

1. **Home care transition support** so that providers can effectively and efficiently contract with managed care plans, as the state's Medicaid redesign policies intend.
2. **Targeted regulatory relief measures** that remove unnecessary obstacles in home care and managed care contracting.
3. **Stable fiscal policies** to assure home care's viability under the state's new framework for care delivery.

(For specifics of these proposals, please see the policy background section on the next page.)

HCA President Joanne Cunningham said: "New York's home care system is at a crossroads. Massive reimbursement cuts have left 79 percent of home care providers operating in the red, and many of these cuts would continue in the Governor's 2013 budget proposal. At the same time, the state has rapidly and fundamentally begun to change the relationship between home care providers and their patients through the Medicaid redesign process. This swift approach to change has left regulatory vestiges in place that, ironically, impede home care providers from participating in the state's very own redesign goals."

She added: "Transitions like those occurring right now in home care involve huge cost demands for program restructuring, staffing changes and other expenses. During past transitions in other areas of health care, the state has traditionally provided financing support. In fact, this time around is no different, except that the state's plan for Medicaid transition reinvestment does not include home care, even though home care providers are among the most affected by the current changes. HCA urges the state to include home care transition support in its 1115 waiver request to the federal government. This request seeks reinvestment of up to \$10 billion back into the state's Medicaid redesign efforts – and there is no other area of the redesign plan that needs transition reinvestment more than in home care."

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Policy Background

The 2011-12 State Budget began a process called “mandatory enrollment.” It requires that certain patients – those who are dually-eligible, 21 and older, and need more than 120 days of Medicaid community based long term care services – must enroll in a managed long term care (MLTC) or managed care organization (MCO) health plan. This process has already gone into effect for specific populations in New York City, and it has – or is about to – go into effect for Long Island and Westchester.

The policy is designed to be implemented statewide in the near future. This statewide timetable remains fluid and it depends on several factors (including a federal approval process), but the state’s plan would eventually redirect thousands of patients and the providers that serve them. For home care providers, this policy means that many agencies (including those with well-established roots in the community) will increasingly expect to operate in a subcontracting role, providing services under contract with MLTCs or MCOs rather than directly functioning as the care managers for these patients and the Medicaid program.

As the state’s own policy objectives make clear, home care providers are instrumental to the success of this endeavor because they form the core infrastructure needed to deliver and care manage the services to patients under contract with MLTCs and MCOs. However, the state has implemented a broad redesign plan without modernizing the existing regulatory structure, thus limiting the participation of front-line providers in the state’s own redesign efforts.

HCA’s plan includes the following main features that will assist home care providers in achieving the state’s goals:

1. **Transition support.** The state needs to:

- Change some of the eligibility rules and standards in home care so that they better match those of managed care entities and thus allow providers to contract with managed care;
- Streamline or bypass regulations which are duplicative, unnecessary or uneven in a context of a home care and managed care contract partnership;
- Enact consistent continuity-of-care provisions for patients across all segments of home care;
- Preserve the home telehealth program, which is proven to reduce expenses and enhance care outcomes but is threatened with extinction under Medicaid redesign;
- Provide financial support for home care under the state’s \$10 billion 1115 waiver request to the federal government;
- Continue the role of the Long Term Home Health Care Program as a distinct option for patients; and
- Establish quality measurement, assurance and reporting methods in the managed care-home care context.

2. **Regulatory relief.** The state needs to:

- Revise and streamline regulations for contracting between home care and managed care;

- Establish clarity in the compliance roles of home care providers and managed care; and
 - Allow partnerships between hospice and managed long term care plans.
3. **A Stable Fiscal Environment.** According HCA's most recent home care financial condition report, 79% of home care providers are operating in the red as a result of past Medicaid cuts under the present Medicaid financing system. Many of these cuts are extended in the Governor's 2013 state budget proposal. Without a stable fiscal environment, providers fear further erosion in their fiscal stability, which threatens their viability in serving patients. In addition to a stable overall reimbursement environment for home care, HCA also calls for adequate premium payments to managed care and assurance that these premium payments reimburse home care providers to meet their costs in delivering services under contract with managed care.

Details on each of these proposals can be found in HCA's *Three-Point Plan to Support Home Care and Ensure Success of State Redesign Efforts*, available at the link below.

<http://www.hca-nys.org/documents/2013ThreePointPlanLegislativePriorities.pdf>

The Home Care Association of New York State (HCA), the state's premier home care association, represents approximately 400 providers, individuals, and associate members who collectively serve thousands of New Yorkers.

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