



Below are the broader themes of our advocacy message for the 2017-18 State Budget, followed by some “set-up messages” and “closing message” ideas to guide your conversations with lawmakers and the Governor’s office on HCA’s State Advocacy Day.

## Broader Themes

Our broader advocacy themes (see *State Budget Action Needed*) call for:

1. **Home care payment adequacy, predictability, timeliness and stability** across all pathways of home and community-based services, from managed care premiums to the payments received by home care providers. These payments must appropriately cover regulatory, service and labor costs of plans and providers, as required by statute.
2. **Home care regulatory relief and flexibility** to help home care participate in new models of care and to respect the balance of existing home care structures and operations. This is especially important now that the Governor’s budget has proposed a Health Care Regulation Modernization Team. The Governor’s proposal presents opportunities but also risks which must be carefully directed through stakeholder oversight, including representation by the Legislature and home care industry (HCA) on the Team.
3. **A comprehensive plan to address home care workforce shortages**, which affect access to services, create provider cost burdens, and limit the achievement of system goals to rebalance health care toward cost-effective community settings.
4. **Home care infrastructure support**, including a stronger commitment of investments in home care specifically. This commitment must go beyond the Governor’s earmark of \$30 million in the proposed budget for community care – which includes other settings, not just home care – out of a total \$500 million allotment for all sectors. HCA is calling for a \$125 million earmark for community care. This is consistent with the state’s index goal of a 25% reduction in hospital services, which requires community care to shoulder a more substantial role in driving down costs, thus necessitating a more robust level of infrastructure investment.

## Specific Messages

**1 Set-up messages on payment adequacy:** HCA’s financial condition report (*NYS Home Care Program and Financial Trends 2017*) offers compelling, aggregate data on some of the payment issues in home care, specifically the operating losses shouldered by various entity types. Use this data to explain your own financial pressures using data specific to your agency on such issues as:

- The minimum wage hike and problems you’ve encountered in the timely or proper flow of payments for wage coverage and other mandates;
- CHHA rebasing;
- The financial strains on managed care premiums and their effect on contracting for home care service payments or authorizations; or
- Other financial issues that must be addressed in the budget to assure a stable, predictable and adequate flow of payments across the continuum.

**Closing message on Payment Adequacy:** The state is required to provide actuarially sound rates to managed care plans for services costs. Legislators and the Governor must adopt HCA’s language in the state budget for payment adequacy, predictability, timeliness and stability.

**2 Set-up Messages on Regulatory Relief:** Begin by explaining the opportunities as well as concerns you have about the Governor’s proposed Health Care Regulation Modernization Team in the budget. This Team has the potential to provide flexibility for your organization, which is laudable. However, it also has the potential to alter the delicate balance for home care licensure, operations and structures that must be avoided, including some of the jurisdictional problems reported by providers in a health care system that has already been reshaped by DSRIP. Those problems include the cross-over of other entities into Article 36, as non-home-care providers seek to provide home-based services outside their licensing authority. The Legislature should play an active role, including through its representatives on the Regulation Modernization Team, to address and relieve these problems.

Also, use this opportunity to explain your role (whether as a CHHA, LTHHCP, LHCSA, or MLTC), why your current function in the home care continuum is important, and how any changes to this structure could lead to a severe dislocation of staff and services. In the past, the Cuomo Administration has raised questions about the contract relationships between CHHAs/LTHHCPs and LHCSAs, which is ironic given the current orientation of New York’s health care system (under managed care and DSRIP) which incentivizes integrated relationships among entities with discrete competencies and functions. This is your opportunity to make clear why your provider relationships are important for meeting the very specific competencies and roles of your provider type, including: recruitment, training and retention activities; workforce supply and oversight of various disciplines of care (nursing, home health aide, personal care aide, therapies); care-management; and more.

Lastly, while DSRIP has offered an opportunity for regulatory waivers, a broader set of regulatory relief actions is needed to help eliminate administrative duplication in your contract relationships with managed care or other partners. Regulatory relief is also needed to align your work with the geographic service regions or cases covered by your managed care and DSRIP partners.

**Closing message on Regulatory Relief:** The Governor’s Regulation Modernization Team must be carefully directed and representative of home care stakeholders to prevent and relieve the current jurisdictional entanglements into home care. The Team must also avoid licensure or operational changes to the home care structure that have unintended consequences such as workforce or service dislocation, and it must be a committed venue to address longstanding needs for home care flexibility. However, separate from the Modernization Team (which has its own timetable and prerogatives), we ask the Legislature and Governor to adopt a series of long-standing HCA proposals for home care regulatory relief and flexibility that are urgently needed well in advance of the Modernization Team’s schedule for deliberation and recommendation.

**3 Set-up Messages on Workforce Shortages:** According to HCA’s financial condition report, home care agencies across-the-board are experiencing major workforce shortages, as well as recruitment and retention issues that limit home care’s ability to accept new cases or add significant costs for personnel management, oversight and supervision, and other non-wage labor costs. The state’s minimum wage hike adds to this pressure because it does not appropriately fund the compensation needs and mandates for home care’s workforce. Please highlight some of the findings in HCA’s financial condition report, but also provide concrete data from your agency about the turnover rates, vacancies and other workforce issues that limit home care’s participation in new models of care.

**Closing message on Workforce Shortages:** The Legislature and Governor must adopt HCA’s legislative language to set in motion a comprehensive plan for addressing the urgent needs for workforce stability, retention and training in home care.

**4 Set-up Messages on Infrastructure:** Home care providers have been long-neglected in the state’s infrastructure investment initiatives, just as other sectors have been historically given access to dedicated working capital funds, with some additional dollars flowing to these other sectors through the multibillion-dollar DSRIP program. Take this opportunity to provide your legislator with a vision for how infrastructure investment would reduce costs and help you better integrate with system partners. You may want to explain how technological advances like new communications tools with field staff, interoperable electronic medical records, home telehealth monitoring, or other investments would help you share your significant clinical data from high-frequency interactions with home care patients, so that you can work together intelligently with other sectors on care-transitions. Infrastructure investment would also assist in your communications with physicians on care plans, compliance oversight of workers in the field, and DSRIP goals such as reducing hospital admissions.

**Closing message on Infrastructure:** The Governor’s budget commits \$500 million for infrastructure investment in all of health care, with \$30 million of these funds dedicated for community care (but not home care exclusively). This community-care amount must be better indexed to the expectations that community care should carry the weight of a 25% reduction in hospital use, which means that the dedicated pool for community care should be raised to at least \$125 million. This would balance priorities and resolve the long-standing absence of any dedicated infrastructure investment in home care. In sum, the Legislature and Governor should adopt language that raises this dedicated pool for community care and assures flexible access to the funds for community-based providers who play a powerful role in health care outcomes, if vested with the appropriate tools.

