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Will home care suffer if Cuomo's managed long-term care reforms pass?

The financial state of the New York home-care industry is getting worse, according to [a report released Monday](#)  by the Home Care Association of New York State.

The industry group said the reforms Gov. Andrew Cuomo is proposing to the managed long-term care system would only exacerbate the situation.

The average operating margin for certified home health agencies in New York dipped to -13.46% in 2016 from -7.3% in 2015, the trade group found. The share of agencies reporting negative margins in 2016 grew to about 78%, up from 70% in 2015.

Many home-care agencies rely heavily on the Medicaid funding they get through managed long-term care plans.

"I would say we're deeply concerned about the budget cuts and other administrative actions targeting managed long-term care plans," said Joanne Cunningham, president of the association. "That will have a dire effect on the home- and community-based sector's ability to deliver care to a very needy and frail population."

The governor's executive budget, released last month, includes proposals to cut managed long-term care plans' administrative budgets, limit the number of home-care agencies that can participate in a plan's network and raise the requirements for patients to be eligible for services provided under managed long-term care plans.

Under the proposed changes, patients would have to get a higher score on their needs assessment in order to qualify for managed long-term care services.

Matthew Hetterich, director of corporate business development at Utopia Home Care, which is based in Kings Park, Long Island, and operates in multiple states, recalled his agency's experience in North Carolina. "In one stroke of the pen, the state disenrolled a large number of people at one time," he said. "We had a number of clients who unfortunately stopped receiving services because of that. Any time you provide services to a certain number of patients and then all of sudden that number is cut in half, it will definitely impact you financially."

Maria Alvarez, executive director of the Statewide Senior Action Council, said the higher score needed to obtain services is "basically unattainable."

But Rick Surpin, president of Independence Care System, an MLTC plan based in the Bronx, said it makes sense for the state to concentrate its resources on the neediest patients.

"If you don't raise the bar, the program will just keep on growing and growing. And I don't think that's sustainable," said Surpin.

His plan serves a disproportionate share of high-cost beneficiaries, and he said the state underpays for those Medicaid recipients in order to cover more people.

Both Surpin and Hetterich said it would be unreasonable for the state to limit the number of licensed home-care agencies in each managed long-term care network to just 10, a move the executive budget briefing book said would "bring consolidation to the marketplace."

Surpin said he currently has about 140 agencies in his network, and "that's not unusual at all."

The state Health Department defended the proposals, saying the executive budget "streamlines efficiencies to the managed long-term care program by targeting quality licensed home care services agency providers, reducing potential for waste and abuse, and ensuring access to community-based long-term care services and supports for a growing aging population." —C.L.



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AI pathology startup raises \$25M, signs MSK license deal

Paige.AI, a Manhattan-based startup that applies artificial intelligence to pathology to improve cancer diagnoses and

treatment, has raised \$25 million, the company said Monday.

The Series A investment round was led by investors including Jim Breyer and his Silicon Valley venture capital firm, Breyer Capital. Breyer was an early investor in Facebook.

The startup also announced it has signed a licensing agreement with Memorial Sloan Kettering Cancer Center, granting it exclusive access to MSK's intellectual property related to computational pathology and exclusive rights to its library of 25 million pathology slides. The data, which is stripped of any identifying patient information, will help Paige.AI build out a suite of applications in pathology.

Currently pathologists must interpret numerous glass slides with tissue and cell samples taken from a biopsy under a microscope. "The manual nature of this work is inherently inefficient and can contribute to diagnostic variability," the company said in a statement.

Paige.AI's CEO, Thomas Fuchs, is also director of computational pathology in the Warren Alpert Center for Digital and Computational Pathology at MSK. His cofounder David Klimstra is the chair of the Department of Pathology at MSK. The cancer center will be the company's first client. "MSK is eager to help transform pathology into a more objective, quantitative discipline by incorporating AI," an MSK spokeswoman for the cancer center said in an email.

AI will initially focus on clinical applications in breast, prostate and other major cancers. The company said it expects to partner with other leading academic medical centers, commercial labs and pharmaceutical companies as it develops a full suite of AI applications in pathology.

"The overall goal is not to replace pathologists, but to aid their decision making and transform pathology into a discipline that is more quantitative than qualitative," Fuchs said. "While a pathologist in a small town may need a second-opinion on a rare cancer, large institutions can use Paige.AI to optimize their workflow and run larger and more informative clinical studies." —R.S.

NYU Langone to expand cancer clinic

NYU Langone Health is seeking state permission for a \$2.8 million expansion of its Arena Oncology Center in New Hyde Park, Long Island—in the backyard of Northwell Health's cancer-care facilities.

The clinic was founded in April 2014 by Dr. Francis Arena to provide access to physicians and research from NYU Langone's Perlmutter Cancer Center in Manhattan to patients living on Long Island and in Queens and Brooklyn. It also was designed to offer patients in those areas a site to receive chemotherapy infusions, according to the health system's certificate-of-need application. Northwell's Monter Cancer Center is located half a mile away.

NYU Langone has expanded its Long Island footprint through the acquisition of Winthrop-University Hospital in Mineola and by buying and building medical practices. In August the health system opened Perlmutter Cancer Center —Huntington, a facility providing infusions to patients with conditions including cancer, Crohn's disease and multiple sclerosis, that was expected to serve 30,000 patients a year.

NYU Langone's 5,600-square-foot clinic in New Hyde Park expected to see 6,500 patient visits annually but has handled more than 12,500 in the past 12 months. Its construction plans would nearly double the size of the clinic.

"This expansion will better support the existing patient volume as well as provide increased capacity so that more cancer patients requiring chemotherapy infusions can be accommodated," the health system wrote in its application. —J.L.

SBH Health System to build \$23.6M 'medical village'

SBH Health System is moving forward with plans to build a \$23.6 million multiuse health center next to St. Barnabas Hospital in the Bronx.

The "urban medical village," which will integrate primary and behavioral care and be co-located with affordable housing, will be mostly funded through a \$22.7 million grant the system received from the Statewide Health Care Facility Transformation Program last year. It is now seeking final project approval from the state.

The health system plans to construct a 52,000-square-foot building at 4511 Third Ave. to house care-coordination services, primary care, specialty care, behavioral health and local community service organizations, according to its certificate-of-need application to the state Health Department.

By providing patients with a "one-stop shop," the project will contribute to the state's DSRIP goals of improving health outcomes, cutting the cost of care and reducing avoidable hospitalizations, said SBH Health, which leads the performing provider system Bronx Partners for Healthy Communities. —C.L.

AT A GLANCE

WHO'S NEWS: Dr. Paul E. Oberstein will join NYU Langone Health and its Perlmutter Cancer Center as director of gastrointestinal medical oncology and assistant director of its recently established Pancreatic Cancer Center on March 1. He previously was a member of the Herbert Irving Comprehensive Cancer Center at Columbia University, an assistant professor at Columbia University College of Physicians & Surgeons and an attending physician at New York-Presbyterian/Columbia University Medical Center.

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Share Hospital Program by two years and fund community health centers for two years, [Modern Healthcare](#) 
[reported Monday night](#) . Congress has until Feb. 9 to fund the government or it will face another shutdown.

COMMUNITY HEALTH: The Community Health Care Association of New York State said Monday, prior to news reports surfacing about the GOP spending bill, that its member clinics will be joining a national day of demonstration today to call upon Congress to reauthorize vital funding for community health centers. "One in nine New Yorkers receives their health care from a community health center. Congress must not let any more days pass without taking action. Patient care is at risk," said Rose Duhan, president and CEO.

MARKET SELL-OFF: While the stocks of publicly traded health systems and health insurance carriers declined Monday, they fared somewhat better than the rest of the market, [Modern Healthcare reported](#). 

CLARIFICATION: The state's privacy policies for Regional Health Information Organizations (RHIOs) allow them to send patient-care alerts with limited information only to providers and care managers who have an existing treatment relationship with the patient. This was not clear in the article "Some RHIOs to send info alerts without patient consent" in the Feb. 5 edition of Crain's Health Pulse.

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