



**Department  
of Health**

Office of  
Health Insurance  
Programs

# Managed Long Term Care Premium Rate Update



**Division of Finance and Rate Setting  
September 6, 2018**

# Agenda

- MLTC Premium Rate Update & Key Issues
- VBP Implementation
- SFY 2018-19 Global Cap
- Questions

# MLTC Premium Rate Update & Key Issues

# Partial Capitation Rate

- April 2017 and July 2017 Revision for NHT, HCHN Risk pool and NHPM Pool
  - Comments have been received on the Draft SFY17-18 High Cost High Need Risk Pool method and are under review with DOH and Deloitte.
- April 2018 Rates:
  - Rates have been approved by DOB and paid in cycle #2136
- April 2018 Rate Revision (previously July) :
  - Minimum Wage funding for Transportation Providers
  - Nursing home enrollment projections that reflect the final SFY17-18 NHT survey
  - Risk score update based on enrollment changes
  - Possible inclusion of additional budget actions
- Additional rate updates are expected to reflect changes in NH enrollment and the benefit limitation as well as CFCO implementation in January and any remaining budget actions

# MAP, FIDA, PACE and MA

- MAP and FIDA
  - April 2018 Rates:
    - Rates are in process for DOB approval
  - April 2018 Rate Revision (previously July) :
    - Minimum Wage funding for Transportation Providers
    - Nursing home enrollment projections that reflect the final SFY17-18 NHT survey
    - Risk score update based on enrollment changes
    - Possible inclusion of additional budget actions
    - Additional rate updates are expected to reflect changes in NH enrollment and the benefit limitation as well as CFCO implementation in January and any remaining budget actions
- PACE - April 2018 draft rates expected in August
- MA - April 2019 draft rates expected in September

# SFY 2018-19 Budget Actions

- The following SFY18-19 Budget Actions will be incorporated in the SFY18-19 rates:

Budget Action	Effective Date	Rate Implementation Date
Admin Reduction to \$200	April 2018	April 2018
Physical Therapy Visit Limitations	April 2018	Revised April 2018
NH Benefit Limitation	TBD	TBD
Limit LHCSA Contracts w/MLTC Plans	October 2018	Revised April 2018
Restrict MLTC members from plan transitioning for 12 months	October 2018	October 2018
Social Adult Day Health Benefit Efficiency	October 2018	Revised April 2018

# Additional Items

- Risk Adjustment Workgroup
  - DOH has received survey data from plans and has begun analysis with Deloitte.
  - The work group kickoff meeting will be scheduled for early September.
- Minimum Wage
  - DOH has scheduled a webinar for September 28<sup>th</sup> to review recent MW FAQs.
  - DOH is working with OMIG/DOB on the minimum wage reconciliation. SFY16-17 targeted to begin by the end of Summer.
  - Guidance and FAQs available at [https://www.health.ny.gov/health\\_care/medicaid/redesign/min\\_wage\\_guidance.htm](https://www.health.ny.gov/health_care/medicaid/redesign/min_wage_guidance.htm)
- QIVAPP
  - QIVAPP – DOH is currently calculating SFY17-18 awards. Results are expected at the end of the Summer.

## Home Care Minimum Wage

- SFY 2018-19 rates include adjustments to account for the minimum wage increase occurring on 12/31/18 statewide.
- Plans and providers advised to enter into contracts to enable providers to pay employees in accordance with statutory wage obligations.
- Plan costs being reconciled with funding paid to plans. If plans incurred costs greater than initially paid in rates, plans will be reimbursed through rate adjustments.
- OMIG/DOL are responsible for enforcement. Audits are commencing.



# Partial Capitation Program Pool Distributions

- SFY 2018-19 Quality Incentive Pool Projection – capped at \$150 Million
  - Budget reductions decrease the total pool value to \$142M
- SFY 2018-19 High Cost High Need Risk Pool Projection- \$190 million
  - Withhold of 2% and payout of pool done simultaneously six months following end of SFY18-19
- SFY 2018-19 Nursing Home Price Mitigation Pool - TBD
  - Requires accurate encounter data reporting including begin and end service dates
- SFY 2018-19 QIVAPP – \$73.5 Million

# VBP Implementation Update

# Important Considerations

- VBP definitions for Level 1 and Level 2 for MLTC Partial Capitation plans

Level 1 VBP	Level 2 VBP
Bonus for quality scores; arrangements must include use of the Potentially Avoidable Hospitalization Measure (PAH)	Bonus for quality scores; arrangements must include the PAH score and one other Category 1 quality measure <b>and</b> withhold of at least 1% of total annual expenditures for poor quality performance.
Payment not tied to budget	The downside is tied to the annual expenditures in the contract between plan and provider.
↑ <b>Upside Only</b>	↑ <b>Upside &amp;</b> ↓ <b>Downside Risk</b>

- MAP, FIDA and PACE VBP levels follow the Mainstream Managed Care plan levels outlined in the Roadmap.

# Potentially Avoidable Hospitalization Measure

- PAH rates were calculated by the Office for Quality and Patient Safety (OQPS) for managed long term care plans at the provider level using attribution files submitted by MLTC plans using data from the Statewide Planning and Research Cooperative System (SPARCS) data.
- A hospitalization is considered potentially avoidable if the primary diagnosis on the hospital record was for anemia, electrolyte imbalance, heart failure, respiratory infection, sepsis or urinary tract infection.
- The PAH measure is required in Level 1 and Level 2 VBP contracts for MLTC Partial Capitated plan. Plans may compare provider rates to the Statewide, plan, plan provider-level or provider-level rates in order to develop their VBP arrangement.

# VBP Information

- The State is constantly updating the VBP University which is an online, educational resource created to raise awareness, knowledge and expertise in the move to Value Based Payment (VBP).

[https://www.health.ny.gov/health\\_care/medicaid/redesign/dsrip/vbp\\_reform.htm](https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_reform.htm)

- VBP University combines informational videos and supplemental materials that stakeholders interested in VBP can use to advance their understanding of this massive transformation effort
- The VBP Resource Library has a section for Managed Long Term Care with additional guidance:

[https://www.health.ny.gov/health\\_care/medicaid/redesign/dsrip/vbp\\_library/](https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_library/)

# SFY 2018-19 Global Cap

# FY 2019 Global Cap Projections

- The Global Spending Cap will increase to \$20.8 billion in 2018-19, reflects growth of \$1.3 billion, includes \$448 million for minimum wage rate adjustments.

<b>Price (+\$1.03 billion)</b>	<ul style="list-style-type: none"> <li>Trend increases for mainstream managed care rates (\$362 million) and long term managed care rates (\$70 million);</li> <li>Various FFS rate packages (\$154 million); and</li> <li>Minimum Wage Adjustment (\$448 million).</li> </ul>
<b>Utilization (+\$275 million)</b>	<ul style="list-style-type: none"> <li>Annualization of 2017-18 enrollment; and</li> <li>New enrollment for 2018-19 (7,254 NH eligibles; 11,735 community-based).</li> </ul>
<b>MRT/One-Timers/Other (-\$12 million)</b>	<ul style="list-style-type: none"> <li>ACA enhanced FMAP (-\$224 million)</li> <li>Accounts Receivable Collections (-\$194 million); offset by</li> <li>Removal of CY 2016 EP MLR (\$262 million);</li> <li>ATB Restoration (\$58 million); and</li> <li>New CFCO services (\$25 million).</li> </ul>

# Long Term Care Investments

- The Global Cap includes significant resources for Long Term Care services:

(\$ in millions; Gross)	
Minimum Wage (LTC only)	\$1,378
New Community-Based Enrollment	\$344
1% Supplemental Payment	\$140
Universal Settlement	\$170
Fee For Service Rates (Case Mix)	\$125
<b>TOTAL</b>	<b>\$2,157</b>



# Spending Results through June 2018

- Medicaid expenditures through June 2018 are \$22 million above estimates:

Medicaid Spending (FY 2019) (\$ in millions)			
Category of Service	Estimated	Actual	Variance
<b>Medicaid Managed Care</b>	<b>\$4,224</b>	<b>\$4,259</b>	<b>\$35</b>
Mainstream Managed Care	\$2,531	\$2,543	\$12
Long Term Managed Care	\$1,693	\$1,716	\$23
<b>Total Fee For Service</b>	<b>\$2,490</b>	<b>\$2,523</b>	<b>\$33</b>
Inpatient	\$800	\$803	\$3
Outpatient/Emergency Room	\$87	\$85	(\$2)
Clinic	\$124	\$134	\$10
Nursing Homes	\$635	\$636	\$1
Other Long Term Care	\$174	\$176	\$2
Non-Institutional	\$670	\$689	\$19
<b>Medicaid Administration Costs</b>	<b>\$230</b>	<b>\$228</b>	<b>(\$2)</b>
<b>OHIP Budget / State Operations</b>	<b>\$113</b>	<b>\$113</b>	<b>\$0</b>
<b>Medicaid Audits</b>	<b>(\$88)</b>	<b>(\$106)</b>	<b>(\$18)</b>
<b>All Other</b>	<b>\$1,003</b>	<b>\$977</b>	<b>(\$26)</b>
<b>Local Funding Offset</b>	<b>(\$1,773)</b>	<b>(\$1,773)</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$6,199</b>	<b>\$6,221</b>	<b>\$22</b>

# Questions?

- Questions regarding MLTC rate-setting can be submitted via e-mail to:

MLTC Rate-Setting Bureau Mail Log – [mltcrs@health.ny.gov](mailto:mltcrs@health.ny.gov)