



Testimony of
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Health/Medicaid

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Invest in Health Home Care Management

Good morning, Chairs Senator Liz Krueger and Assemblymember J. Gary Pretlow, Senator Gustavo Rivera, Assemblymember Amy Paulin, and esteemed members of the Assembly and Senate Committees. Thank you for the opportunity to testify on the Governor's Executive Budget for State Fiscal Year 2025-26.

On behalf of the **Coalition of New York State Health Homes (CNYSHH)**—representing 22 Health Homes serving over 170,000 adults and children with some of the state's highest medical, behavioral health, and social care needs—and the **NYS Care Management Coalition**, representing thousands of Care Managers and care management agencies statewide, we extend our gratitude for your leadership and for restoring the \$125 million cut to the Health Home program in last year's budget.

Despite Health Homes' proven value on the front lines of care, they continue to face severe financial strain due to **inadequate Medicaid reimbursement rates**—which have been stagnant since 2018. Operating costs have soared with inflation over the past three years, and the modest rate adjustments granted have not kept pace with these rising expenses. And, Health Home Care Management under DOH

has not been eligible for any cost-of-living adjustments (only a small portion of the program operating under OMH – Health Home Plus).

Our Request: A 15% Medicaid Rate Increase

To sustain Health Homes' life-saving work and ensure New York's most vulnerable adults, children and families remain connected to essential care, we **respectfully request a 15% rate increase** for Health Home Care Management. Over the past three years inflation has grown by over 17%, without any increases in Health Home rates. By providing a rate increase, this would allow Health Homes and Care Management Agencies to:

- **Maintain Essential Services** – Prevent agency closures that disrupt service continuity for individuals with complex mental health, medical, and social needs.
- **Support Our Workforce** – Recruit and retain qualified Care Managers who are the backbone of our system, ensuring high-need Medicaid members have trusted, reliable support.
- **Guarantee Quality & Stability** – Preserve and strengthen an evidence-informed model that reduces avoidable hospitalizations and emergency department visits, yielding significant savings to the broader healthcare system.

Consequences of Not Increasing Health Home Rates

- **Closure of Care Management Agencies (CMAs) & Community-Based Organizations**
 - Health Homes have contracts with 589 CMAs statewide. Many struggle to meet inflationary costs, prompting some to withdraw from the program or close entirely. For instance, Community Care Management Partners (CCMP) reports **five CMAs ceased Health Home services in 2024** alone.
- **Workforce Loss**
 - Over 4,000 dedicated professionals, nearly half of whom are BIPOC and 84% of whom are women, often working two to three jobs, provide front-line support in communities. They bridge linguistic and cultural gaps—29% are bi/multilingual—and remain mission-driven despite stagnant wages and rising costs. Without a rate increase, many will leave for higher-paying sectors, depleting critical resources for underserved populations.
- **Heightened Costs & Gaps in Care**
 - The Department of Health's efforts to achieve past onerous cuts by narrowing eligibility to our most vulnerable citizens have already shown **troubling signs**, including rising ER and inpatient utilization among those who lose consistent Care Management. A fragmented system without stable Health Home care management connections leads to unplanned readmissions, higher emergency use, and ultimately greater costs to New York's healthcare system.

Health Home Outcomes: A Proven Success

Health Homes coordinate care for individuals with serious physical and behavioral health conditions, ensuring they receive tailored services such as:

- Comprehensive care planning
- Scheduling medical/behavioral health appointments
- Navigating social supports (housing, benefits, transportation)
- Education on chronic disease self-management

Recent data from NYS DOH underscores the **effectiveness of Health Homes**:

- **Inpatient Admissions**
 - Health Home Population: **-24.3%**
 - General Medicaid Population: **-2.9%**
- **Emergency Room Visits**
 - Health Home Population: **-17.1%**
 - General Medicaid Population: **-4.0%**
- **Skilled Nursing Facility Expenditures**
 - Health Home Population: **-25.7%**
 - General Medicaid Population: **+13.1%**

Meanwhile, Health Home-enrolled members see a **54% increase in outpatient utilization** and a **38% increase in pharmacy services**, indicating better connection to appropriate, cost-effective community care.

Notably, Health Home participants are disproportionately from **historically disenfranchised communities**, with almost **double** the proportion of Black non-Hispanic Medicaid members compared to the general Medicaid population, and a significantly higher share of Puerto Rican/Hispanic individuals. This data confirms Health Homes are effectively **advancing equity** and improving health outcomes for those most at risk.

Conclusion

Without an increase in rates for Health Home Care Management, the infrastructure New York has built to serve high-risk individuals will continue to erode. More CMAs will be forced to close, leaving hospitals overwhelmed and New York's most vulnerable populations without the care and stability they need. This ongoing threat to Health Homes—a linchpin for New York's waivers, cost-saving initiatives, and value-based payment structures—cannot be overstated.

We ask you to safeguard these life-saving services by **approving a 15% Medicaid rate increase** for Health Home Care Management. By investing in Health Homes today, New York will secure a more equitable, cost-efficient, and compassionate healthcare future for all.

Thank you for your time, leadership, and commitment to improving the health and well-being of New Yorkers.

Sincerely,

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