HCP | NYS Association of Health Care Providers
Representing Home & Community-Based Care

Testimony on the Impact of the Single Statewide Fiscal Intermediary (SFI) Transition and Broader Threats to Home Care Access in New York

Joint Public Hearing

Senate Standing Committee on Health

Senate Standing Committee on Investigations & Government Operations

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Thank you for the opportunity to speak today on the state's implementation of a Single Statewide Fiscal Intermediary (SFI) for the Consumer Directed Personal Assistance Program (CDPAP), and its broader impacts on New York's home care system. We are grateful to Senator Rivera and Senator Skoufis for holding this important hearing.

The New York State Association of Health Care Providers, Inc. (HCP) is a statewide trade association representing the full spectrum of home and community-based care providers through information, advocacy, and education. HCP represents licensed home care services agencies (LHCSA) and the businesses that support them.

As you examine the reform of the Consumer Directed Program and consider how the state can best meet the needs of New Yorkers who rely on home and community-based services, a few key facts provide context:

- A 2023 analysis by the Kaiser Family Foundation found that the median annual cost of a private room in a nursing home was $116,800, about 40% more than the cost of a full-time home health aide.
- AARP surveys consistently show that New Yorkers want to remain in their homes and communities as they age.
- Growth in Medicaid-funded home health care reflects the aging of the population, not providers "driving demand."
- Enrollment and eligibility are determined entirely by the Department of Health, its contracted assessor, Maximus, and the managed care plans that administer benefits. Providers have no role in deciding who qualifies for care or in setting the number of service hours authorized.

Enrollment Growth

Much of the rationale for consolidating CDPAP FIs centered on rapid program growth. But program size is entirely the product of state-run systems of assessment and authorization. Fiscal Intermediaries only facilitate care personnel after those determinations are made.

Impacts of the SFI Transition

While the transition aimed to streamline oversight, the reality has been disruptive for consumers, workers, and providers. Tens of thousands of New Yorkers experienced interruptions in service, confusion about their options, and delayed onboarding for their caregivers. Many licensed agencies suddenly found themselves absorbing consumers with complex needs, without adequate preparation or reimbursement.

These challenges underscore how a reform meant to improve accountability inadvertently created instability across the broader system.

CDPAP and Personal Care: Distinct and Complementary

It is essential to recognize that CDPAP and agency-based personal care are two distinct, complementary models of service delivery:

- CDPAP empowers consumers to hire and direct their own caregivers, often family members, with the support of Fiscal Intermediaries.
- Personal care is delivered through licensed agencies, with professionally trained aides working under clinical oversight and supervision.

Each model meets a distinct need; both models are vital to New Yorkers. However, in public and legislative discourse, the lines between the two have often been blurred. This conflation has had unintended consequences: licensed agencies, who operate under strict regulations and clinical oversight, have sometimes been swept into narratives of "fraud" or "cost overruns" that were not reflective of their role.

This has made it more difficult for licensed agencies to engage constructively with policymakers on issues such as reimbursement, workforce stabilization, and compliance. The harm is reputational as well as operational, and it undermines the ability of licensed providers to contribute fully to the state's long-term care goals.

Financial Pressures on Providers

Licensed agencies across New York are facing sharp Medicaid reimbursement cuts, in some cases reverting rates to levels not seen in over two years. These reductions come as agencies manage major system transitions and rising demand.

While driven in part by revised premiums paid to Medicaid Managed Long Term Care (MLTC) plans, Medicaid Advantage Plans (MAP), and Mainstream Medicaid plans, the impact on providers has been immediate: rates below the cost of delivering compliant, high-quality care.

Pressures are further compounded by the SFI transition and changes in FI payment methodology. Underlying assumptions have not held:

- Projected FI administrative savings have not materialized.
- Enrollment shifts between CDPAP and Personal Care have been far more volatile, pushing tens of thousands into agency-based care.
- Administrative costs remain excluded from FI reimbursement despite necessity.
- CDPAP rates have not been loaded into eMedNY, preventing billing for court-ordered services.

Smaller, community-based LHCSAs are particularly vulnerable, facing rising administrative burdens just as they are being asked to step in to provide care for CDPAP consumers who lost access during the transition.

Concerns Regarding the LHCSA RFO

The statutory authority for a Licensed Home Care Services Agency (LHCSA) Request for Offers (RFO) remains in place. If used, it would replicate the disruptive consolidation model of CDPAP, only on a much larger scale. The loss of agencies would restrict access to care, reduce or remove patient choice, destabilize consumer relationships, and deepen workforce shortages, especially in underserved communities.

That is why HCP supports A8137/S7874, sponsored by Assemblymember Paulin and Senator Rivera, to repeal this RFO authority and provide stability for consumers and providers alike.

Rebuilding Trust and Supporting Consumer Choice

The SFI transition has left lasting challenges across the home care system. Licensed agencies in particular have been affected by being conflated with other provider types despite their unique role, standards, and oversight.

It is crucial to restore clarity and trust for New York's vulnerable home care users. Consumers deserve a system that preserves and strengthens their choices, whether that is directing their own care through CDPAP or receiving services through licensed agencies with professional clinical support. Both models serve vital purposes, and both must be recognized for their contributions.

Conclusion

The SFI transition has revealed the risks and pitfalls of large-scale consolidation without adequate safeguards. Going forward, New York has an opportunity to correct course by protecting consumer choice, stabilizing providers, and avoiding reforms that replicate past mistakes.

We respectfully urge the Legislature to:

- Support A8137/S7874 to repeal the LHCSA RFO authority.
- Recognize the distinct and essential role of licensed agencies.
- Avoid conflating different service models in ways that obscure their unique contributions.
- Rebuild trust among providers, consumers, and the state through transparent, evidence-based reforms.

At the end of the day, the number of New Yorkers who are eligible and appropriate to receive home care as determined by the state, whether it's through CDPAP or a licensed agency, has not changed. Limiting the marketplace of service providers, including fiscal intermediaries and licensed agencies, does not change the demand nor the need for care. It only limits the choices that consumers have and increases the real risk for gaps in service.

Thank you for your time and for your leadership on behalf of New Yorkers who rely on home and community-based care.