

Submitted testimony

TESTIMONY OF
THE COALITION OF NEW YORK STATE
PUBLIC HEALTH PLANS
ON THE GOVERNOR'S PROPOSED FY 2014-2015 HEALTH AND MEDICAID BUDGET

SUBMITTED BY ANTHONY FIORI

TO THE

JOINT LEGISLATIVE COMMITTEE ON

HEALTH AND MEDICAID

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Introduction

Thank you for the opportunity to provide testimony on behalf of the Coalition of New York State Public Health Plans (PHP Coalition). Established in 1995, the Coalition of New York State Public Health Plans is an important voice for New York's non-profit, publicly-focused health plans and their members. The Coalition currently represents eight plans serving 2.7 million individuals, nearly two-thirds of all of the children and adults enrolled in New York's Medicaid managed care, Family Health Plus, and Child Health Plus programs. All Coalition plans are sponsored by or affiliated with public and not-for-profit hospitals, community health centers, and physicians. Coalition plans offer decades of experience in delivering high quality services to populations that often experience significant barriers to health care, and consistently receive high marks in quality of care and member satisfaction.

Today, the Coalition would like to comment on how health plans are partnering with the Executive and Legislative leaders to achieve New York's "care management for all" commitment and the successful implementation of NY State of Health, the State's Health Insurance Marketplace. The Coalition also encourages the Legislature and the Executive to consider strategies that will better position plans as they pursue both aims.

Reining in Costs While Improving Health Care Quality

Medicaid managed care plans' partnership with the State grows out of shared and deeply rooted values, goals, and incentives. In New York, plans recognize that the state's residents who are poorest, sickest, hardest to reach, and most expensive to treat are not "the problem" with our health care system; instead, they challenge us all to provide access to a healthcare system that anticipates and meets their profound health needs. Health plans are meeting this challenge and connecting people who would otherwise fall through the cracks with patient-centered, coordinated, and comprehensive care.

Medicaid managed care plans have been effecting positive change in New York's healthcare delivery system for decades, since long before Governor Cuomo brought together key healthcare stakeholders to form the New York Medicaid Redesign Team (MRT) in 2011. Recognizing plans' important role in the program, the MRT embraced Medicaid managed care as the vehicle to achieve the Governor's stated goals: "measurable improvement in health outcomes, sustainable cost control and a more efficient administrative structure."¹ To meet these goals, over the last three years, Medicaid managed care plans have enrolled new, more complex populations and offered a more comprehensive array of services to their members. Plans have stepped up to serve New Yorkers with significant and multifaceted needs, in order to drive better outcomes and lower costs.

In 2013, some of the most complex and vulnerable populations served by New York's Medicaid program transitioned into Medicaid managed care. Plans newly covered participants in the Long Term Home Health Care Program, children placed directly in foster care by local districts of social services, and working people with disabilities "buying in" to Medicaid

¹ State of New York, Executive Order #5 (January 2011). <http://www.governor.ny.gov/executiveorder/5>

coverage. Like previous transitions, coverage of these new populations has required intense planning and coordination among plans, consumers, the State, and other healthcare stakeholders. However, despite aggressive timelines, intensive logistical and technical preparations, and major administrative overhauls, implementation has been remarkably smooth with no widespread disruptions for Medicaid beneficiaries.

Reflecting the increasingly complex needs of their members, Medicaid managed care plans also broadened their benefit packages to cover a wider array of services in 2013. Plans began to cover hospice services, ensuring that terminally ill members have access to an expanded range of options to ease their symptoms at the end of their lives. In addition, plans newly covered adult day health care, as well as AIDS adult day health care programs targeted to assist members living with HIV/AIDS. The Coalition has worked closely over the last year with the State to prepare for the carve-in of the long-stay nursing home benefit beginning in March 2014. Coalition plans are prepared to offer their members access to robust nursing home networks, with smooth transitions between community, hospital, and nursing home settings. As plans continue to take on responsibility for new categories of services, they become even better equipped to promote patient-centered care that meets the needs of their members while containing costs.

While plans welcome the transition of new benefits and populations and implementation has been smooth to date, their experiences point to policy refinements that could allow future transitions—and ongoing implementation of those identified above—to even better meet the needs of their members. The Coalition asks that the State provide plans with as much flexibility as possible in managing newly covered benefits for their expanding membership. The success of Medicaid managed care in New York has been dependent on plans' ability to independently develop high-quality networks, effective care management approaches, and innovative payment methodologies. Plans recognize the need to protect the increasingly vulnerable populations they serve, but not at the expense of their ability to ensure that members receive appropriate and necessary care. To that end, the Coalition is supportive of the Executive Budget's proposal to eliminate the "prescriber prevails" policy for brand-name drugs for which multi-source therapeutically and generically equivalent drugs are available.

The Coalition also urges the Legislature to be attentive to the issue of rate adequacy. Sufficient rates are a critical prerequisite to effective, appropriate delivery and management of care. Plans urge the Department of Health to continue to work with plans to monitor expenses and ensure that rates accurately reflect the true costs of new populations, benefits, and changes in case mix and utilization.

Adequate rates and flexibility in benefit management will be particularly important to plans as the State looks toward implementation of major new programs in 2014 and 2015. The carve-in of behavioral health services and roll-out of Health and Recovery Plans (HARPs) for individuals with significant behavioral health needs provides an unprecedented opportunity for plans to cover and integrate the full range of physical and behavioral health services for their members. With that said, Coalition plans are concerned that portions of the State's recent draft request for qualifications are overly prescriptive and would all but require plans to subcontract with behavioral health organizations for management of behavioral health services. Universal

“carve-out” arrangements across plans would be counter to the intent of the transition, reinforcing historical silos in administration, financing, and service delivery. The Coalition also worries that prescriptive and costly staffing and administrative requirements could preclude smaller plans (including HIV Special Needs Plans) from offering HARPs. Greater flexibility in implementation will allow greater innovation on the part of plans and their provider partners.

The Coalition also urges the State to develop rates under the behavioral health transition in partnership with plans, and to not adopt rates that will achieve short-term savings at the expense of long-term cost containment and quality improvement. Plan members with mental illness and substance use disorders are likely to have pent-up demand and unmet need for primary care and community-based behavioral health services. Plans may incur upfront initial costs as they connect members to these services and to needed social supports, such as housing. Rates should be sufficient to ensure that plans can make these investments and help members avoid unnecessary use of more costly inpatient services in the future. As the transition begins to generate Medicaid savings, the Coalition supports the Executive Budget proposal to provide a mechanism to reinvest those savings in community-based behavioral health services.

The Coalition continues to work with the State on its implementation of the Fully Integrated Duals Advantage (FIDA) program for individuals with long-term care needs enrolled in both Medicare and Medicaid (dual eligibles). The FIDA program represents a tremendous opportunity to improve outcomes and quality of life for these beneficiaries while achieving significant operational and financial efficiencies for the State. Given the magnitude of the transition, plans appreciate the recent three-month delay in the rollout of the program, which will ensure that outstanding policy and operational issues can be resolved prior to implementation.

The finalization of Medicare and Medicaid rates is one of the most important issues to be resolved before implementation of FIDA. The dual eligible population is among the most complex and vulnerable in the Medicaid program, with needs that span the primary and acute care, long-term care, behavioral health, and social service systems. FIDA rates must reflect this complexity. In the absence of sufficient rates that support the full range of these services, as well as the administrative functions necessary to effectively manage them, plans may find participation in the program untenable. The Coalition looks forward to continuing conversations with the State and the Centers for Medicare & Medicaid Services around FIDA rate development.

As New York continues its ongoing population and benefit integration in the years ahead—particularly around the behavioral health transition and FIDA—health plans stand ready to ensure real, measurable progress to reduce immediate and long-term Medicaid costs while upholding and building on exceptional standards of care.

Implementing New Structures to Expand Access to and Continuity of Care

Over the past four years, the Coalition has supported the State’s efforts to design, establish, and implement a Health Insurance Marketplace that improves access to affordable coverage in the individual and small group insurance markets. Coalition plans are committed to maximizing health reform’s potential to improve the continuity and quality of healthcare

coverage for New Yorkers. To that end, plans support the Executive Budget proposals to allow qualified hospitals to provide immediate coverage to New Yorkers who appear eligible for Medicaid, and to integrate and modernize and integrate the State's eligibility and enrollment systems for health and human services programs, maximizing the use of available federal funding.

The Coalition also commends the Governor, the Legislature, and NY State of Health leadership for engaging many diverse stakeholders and balancing multiple important points of view in the development, implementation and operation of the Marketplace. With all of the challenges faced by the federal Marketplace and the difficulties encountered in many other states' Marketplaces, NY State of Health is widely regarded as one of the most successful Marketplaces in the country, assisting over 600,000 New Yorkers who have completed their applications and enrolling over 350,000 in health coverage.

Four Coalition plans are participating in the Individual Marketplace and collectively account for 28 percent of current enrollment in Qualified Health Plans; one is also participating in the Small Business Marketplace. Public health plans bring unique perspective and experience from a longstanding operational focus and mission orientation on government subsidized programs that serve individual beneficiaries. Coalition plans are pleased to offer affordable Qualified Health Plan coverage options for New Yorkers who were unable to obtain Medicaid managed care coverage because they are over income for Medicaid/Family Health Plus (even though their children may be enrolled in Child Health Plus) and they lack sufficient funds to purchase coverage in the individual market. Serving the vast majority of Medicaid, Family Health Plus and Child Health Plus beneficiaries in the state, Coalition plans are also committed to providing continuity of coverage and access to "mixed families" and those transitioning in and out of Medicaid and subsidized Qualified Health Plan coverage.

With the unprecedented demand for health coverage during Marketplace implementation, health plans have been critical resources to the millions of New Yorkers in need of application and enrollment support. Coalition plans have successfully leveraged their experience and knowledge in providing enrollment support for New Yorkers seeking coverage on the Marketplace, gained from over a decade of assisting New Yorkers in applying for Medicaid, Child Health Plus and Family Health Plus as facilitated enrollers (FEs). As certified application counselors (CACs), plan staff have undergone extensive training to learn new program rules, use the new Marketplace online portal, and provide community-based expert application assistance to all New Yorkers, regardless of their income. The time- and resource-intensive efforts of plans in training and placing outreach workers in prospective enrollees' communities both as CACs and FEs are critical to supporting the State in enrollment across the continuum of coverage. Coalition plans are equipped to support and troubleshoot consumers with applications for Marketplace coverage as well as existing beneficiaries of the State's Medicaid, Child Health Plus, and Family Health Plus programs who may be transitioned to new coverage and new renewal processes in 2014.

Leveraging the existing FE infrastructure has helped to provide the State with a "running start" in assisting tens of thousands of New Yorkers in applying for enrolling in coverage through a first-class consumer experience. The Coalition commends the State for recognizing

the importance of FE and working with Federal partners to ensure its availability continues beyond the expiration of the State's current waiver authority in March 2014. Plans look forward to working to integrate facilitated enrollment into New York's third party assistance infrastructure in 2014 and moving forward.

The Coalition also remains interested in the further exploration of whether the Basic Health Program (BHP), authorized by the Affordable Care Act, might provide another means to facilitate transition of New Yorkers from Medicaid to subsidized health insurance coverage—while potentially providing considerable fiscal relief to the State by providing federally supported coverage for legal immigrants in New York State. We support the Governor's budget proposal to authorize the establishment of a BHP if it is in the financial interest of the State. We would urge the workgroup established to consider these issues to continue its analysis regarding the potential viability and structure of a BHP in New York, and would recommend that the Legislature take steps to authorize its implementation, subject to the State's final analysis of its fiscal impact and the issuance of the still outstanding federal guidance on its details.

To meet the challenge of providing coverage options on the Marketplace, the Coalition has engaged regularly and extensively with state and federal partners, invested significant resources in developing new operational infrastructure, and reacted nimbly to accommodate and address late-breaking federal and state policy and operational changes and technical patches that have come with an implementation of this scale. The Coalition will continue to work with the State and Legislature to ensure successful continued operation of the Marketplace in 2014 and beyond.

Out-of-Network Coverage

The Coalition recognizes that there are currently significant concerns around out-of-network coverage in the commercial insurance market. The Executive Budget would provide for new notice requirements and appeals and dispute resolution processes with respect to out-of-network coverage, and the Legislature is considering separate provisions that would require insurers in the commercial market to provide out-of-network coverage.

While there has been some anecdotal concern expressed about whether consumers will have access to necessary services through the provider networks on the exchange, we believe that Qualified Health Plan networks are robust and that NY State of Health, and the Departments of Health and Financial Services have time-tested infrastructures for monitoring network adequacy. Existing New York laws assure access to services, even out-of-network, for specialized services under appropriate circumstances. The additional expertise and operational capacity needed to meet an out-of-network mandate would create an especially heavy burden for Coalition plans, whose Qualified Health Plans may disproportionately serve low-income consumers unlikely to purchase costly out-of-network coverage. Such a mandate could also provide an incentive to providers to decline participation in plan networks in order to capture higher out-of-network reimbursement, counter to the State's objective of ensuring access to affordable coverage for consumers.

To the extent that the Legislature continues to pursue the Budget provision or the separate out-of-network mandate legislation, the Coalition urges that public health insurance products be exempt from their requirements. Plans will continue to work with the State to maintain and strengthen access to high-quality services while continuing their commitment to affordable coverage for all.

Conclusion

Thank you for the opportunity to provide testimony on these critical issues. Coalition plans look forward to continue our partnership with the Legislature to ensure that a strong and stable health coverage and health care system is in place that not only serves the growing number of New Yorkers that rely on it, but that reflects and enhances the collective vitality of the entire State.

MEMBERS OF THE COALITION OF NEW YORK STATE PUBLIC HEALTH PLANS

PLAN	AFFILIATED ORGANIZATIONS	PUBLIC INSURANCE PROGRAM SERVICE AREAS	NY STATE OF HEALTH SERVICE AREAS
Affinity Health Plan	<i>Primary care provider organizations with representation on the Board of Directors: Morris Heights Health Center, Charles B. Wang Health Center, Urban Health Plan, and Institute for Family Health</i>	New York City and Nassau, Orange, Rockland, Suffolk, and Westchester counties	New York City and Nassau, Orange, Rockland, Suffolk, and Westchester counties
Amida Care	HIV Special Needs Plan founded and owned by Harlem United, HELP/PSI, Inc., Housing Works, Acacia Network, St. Mary's, and VillageCare	Bronx, Kings, New York, and Richmond counties	
Fidelis Care New York (The New York State Catholic Health Plan)	Diocesan Bishops of the State and Ecclesiastical Province of New York and Catholic healthcare providers	New York City and 54 additional counties ¹	New York City and 39 additional counties ²
Healthfirst	Hospitals in all counties in which the plan operates ³	New York City and Nassau and Suffolk counties	New York City and Nassau County
Hudson Health Plan	Open Door Family Medical Centers, Hudson River Community Health	Dutchess, Orange, Rockland, Sullivan, Ulster, and Westchester counties	
MetroPlus Health Plan	New York City Health and Hospitals Corporation	Bronx, Kings, New York, and Queens counties	Bronx, Kings, New York, and Queens counties
The Monroe Plan for Medical Care	The Monroe Plan for Medical Care is an independent, not-for-profit managed care organization that has a contract with Excellus BlueCross BlueShield to manage their Medicaid, Family Health Plus, and Child Health Plus products	Broome, Cayuga, Clinton, Essex, Franklin, Herkimer, Livingston, Madison, Monroe, Oneida, Onondaga, Ontario, Orleans, Otsego, Seneca, Tompkins, Wayne, and Yates counties	
VNSNY CHOICE	Visiting Nurse Service of New York	New York City	

¹ Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Lewis, Livingston, Madison, Monroe, Montgomery, Nassau, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Otsego, Oswego, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Schuyler, Steuben, St Lawrence, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Westchester and Wyoming counties.

² Albany, Allegany, Cattaraugus, Cayuga, Chautauqua, Columbia, Cortland, Dutchess, Erie, Franklin, Fulton, Genesee, Greene, Hamilton, Lewis, Livingston, Madison, Monroe, Nassau, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Rensselaer, Rockland, Saint Lawrence, Saratoga, Schuyler, Steuben, Suffolk, Tioga, Warren, Washington, Wayne, Westchester, and Wyoming counties.

³ Beth Israel Medical Center, Bronx-Lebanon Hospital Center, The Brooklyn Hospital Center, Elmhurst Hospital Center, Interfaith Medical Center, Jamaica Hospital Medical Center, Maimonides Medical Center, Montefiore Medical Center, Mount Sinai Hospital, New York City Health and Hospitals Corporation, New York Downtown Hospital, North Shore – LIJ Health System, the NuHealth System, Staten Island University Hospital, St. Barnabas Hospital, St. John's Episcopal Hospital, St. Luke's-Roosevelt Hospital Center, Stony Brook University Hospital, and SUNY Downstate Medical Center.