



Department  
of Health

# 2022-23 Executive Budget Briefing and Questions & Answers

New York State Department of Health  
Office of Health Insurance Programs

February 2022

# Today's Presenters

- **Brett Friedman**, Medicaid Director
- **Amir Bassiri**, Deputy Medicaid Director
- **Danielle Holahan**, Executive Director for the NY State of Health (NYSoH)
- **Michael Ogborn**, Medicaid Chief Financial Officer
- **Sue Montgomery**, Director, Division of Long-Term Care
- **Lisa Sbrana**, Director, Division of Eligibility and Marketplace Integration
- **Trisha Schell-Guy**, Director, Division of Program Development and Management
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- **Michael Thibdeau**, Chief Information Officer, Medicaid and NYSoH

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# Agenda

- FY 2023 Medicaid Scorecard
- Overview of Budget Spending
- Medicaid Budget Proposals
  - Long Term Care
  - Managed Care
  - Coverage Expansion
  - Maternal Health
  - Pharmacy
  - Other Proposals

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# FY 2023 Medicaid Scorecard

(State Share \$ millions)	Implementation Date	Article VII/Admin	FY 2023	FY 2024
<b>Global Cap Base (Surplus)/Deficit</b>			<b>(\$535.35)</b>	<b>\$193.08</b>
S.5973 Donate Life Registration on Electronic Application	3/22/22	Admin	\$0.42	\$0.17
S.5560 Covered Lives Assessment (CLA) Early Intervention (EI) Savings	1/1/22	Admin	(\$2.50)	(\$2.50)
A.2030 Medicaid Assisted Treatment (MAT)	3/22/22	Legal	\$84.00	\$84.00
A.3523-A Applied Behavior Analysis	7/1/23	Legal	\$0.00	\$53.82
S.6575 Licensed Mental Health Practitioners Medicaid Coverage	3/29/22	Legal	\$2.05	\$2.05
S.6576 Licensed Clinical Social Workers Medicaid Coverage	3/29/22	Legal	\$12.10	\$12.10
A.259-A Midwifery Birth Centers	12/31/21	Legal	(\$0.09)	(\$0.49)
A.336-A Opioid Antagonists	7/1/22	Legal	\$2.34	\$2.34
<b>Global Cap Forecast with Legislation (Surplus)/Deficit</b>			<b>(\$437.04)</b>	<b>\$344.57</b>
Global Cap Index Inflation - CMS Office of the Actuary Medicaid Projection (5-Year Rolling Average)	4/1/22	Legal	(\$366.00)	(\$899.38)
Health Care Bonus - State Total	4/1/22	Legal	\$861.25	\$0.00
Financial Plan Support for Health Care Bonuses	4/1/22	Legal	(\$861.25)	\$0.00
<b>Global Cap (Surplus)/Deficit</b>			<b>(\$803.04)</b>	<b>(\$554.81)</b>
<b>Budget Actions</b>			<b>\$803.04</b>	<b>\$554.81</b>
<b>Hospital Actions</b>			<b>\$350.00</b>	<b>\$350.00</b>
Distressed Hospital Pool	4/1/22	Admin	\$100.00	\$100.00
Distressed Intercept Fund Investment	10/1/21	Admin	\$250.00	\$250.00
<b>Long Term Care Actions</b>			<b>\$48.80</b>	<b>(\$15.30)</b>
Nursing Home Support for Compliance with Staffing Regulations	4/1/22	Admin	\$61.50	\$61.50
Increase Nursing Home Vital Access Provider (VAP) Funding	4/1/22	Legal	\$100.00	\$100.00
Expansion of Licensed Home Care Service Agencies (LHCSA) Marketplace	4/1/22	Admin	\$0.00	(\$40.00)
Long Term Service and Support (LTSS) Coverage in Essential Plan	1/1/23	Legal	(\$110.56)	(\$110.56)
LHCSA Request for Offer (RFO) Re-estimate	5/1/22	Admin	\$0.00	(\$25.00)
LTSS Services Authorization Guidelines	7/1/22	Legal	\$0.00	(\$5.00)
Increasing Private Duty Nursing (PDN) Reimbursement for Nurses Servicing Adult Members	4/1/22	Legal	\$0.00	\$25.60
Alzheimer's Program under Medicaid	4/1/22	Admin	\$1.37	\$1.37
Fully Implement the Duals Integration Roadmap	4/1/22	Admin	(\$3.50)	(\$23.20)

# FY 2023 Medicaid Scorecard (continued)

(State Share \$ millions)	Implementation Date	Article VII/Admin	FY 2023	FY 2024
<b>Managed Care Actions</b>			<b>(\$34.43)</b>	<b>(\$287.43)</b>
Postpartum Women in Essential Plan	1/1/23	Legal	\$0.00	(\$165.00)
Moving Integrated Plans to Middle of the Rate Range	4/1/22	Admin	\$20.00	\$20.00
Restore MMC/MLTC Quality Pools	4/1/22	Admin	\$77.25	\$77.25
Utilize Child Health Plus (CHP) to Access Federal Funding for Enhanced Pregnancy Coverage	3/1/23	Admin	(\$183.00)	(\$171.00)
Competitively Procure MMC, MLTC, MAP and HARP	10/1/23	Legal	\$0.00	(\$100.00)
Applied Behavior Analysis (ABA) Rates to Incentivize Providers in Managed Care	4/1/22	Admin	\$36.61	\$36.61
Adjust HIV SNP Rates to Reflect High Needs Model	4/1/22	Admin	\$14.72	\$14.72
<b>Pharmacy Actions</b>			<b>(\$41.21)</b>	<b>(\$44.45)</b>
Eliminate Prescriber Prevails	6/1/22	Legal	(\$41.21)	(\$49.45)
Establishing Parity and Uniform Clinical Standards across Medical & Retail Pharmacy Benefits in FFS	10/1/23	Admin	\$0.00	\$5.00
<b>Other Actions</b>			<b>\$462.35</b>	<b>\$498.37</b>
Increase Medicaid Trend Factor by 1% to Recognize Provider Cost Increases	4/1/22	Legal	\$318.31	\$318.31
Restoration of 1.5% Across the Board (ATB)	4/1/22	Admin	\$140.76	\$140.76
Investment in Children's Behavioral Health Services	4/1/22	Admin	\$0.00	\$42.83
Increase Top 20 Orthotics and Prosthetics Codes to Medicare Rates	4/1/22	Admin	\$3.75	\$3.75
Establish Unique Identifier for All Unenrolled Provider Types	4/1/22	Admin	(\$5.00)	(\$5.00)
Promote Access to Primary Care	4/1/22	Admin	\$4.93	\$6.60
Eliminate Unnecessary Requirements from the Utilization Threshold (UT) Program	4/1/22	Legal	(\$0.23)	(\$0.23)
Enhanced Durable Medical Equipment (DME) Management	7/1/22	Admin	(\$0.17)	(\$8.65)
<b>Maternal Health Actions</b>			<b>\$4.34</b>	<b>\$26.76</b>
Improve and Expand Access to Prenatal and Postnatal Care	6/1/22	Legal	\$6.34	\$18.76
Advancing Comprehensive Maternal Care in Managed Care	10/1/22	Admin	\$15.00	\$25.00
Maternal Health Investments - Avoided Costs	4/1/22	Admin	(\$17.00)	(\$17.00)
<b>Other State of the State Actions</b>			<b>\$13.19</b>	<b>\$26.86</b>
Create an Center of Medicaid Innovation to Lower Costs and Improve Care	4/1/22	Admin	\$1.20	\$1.20
Promote Health Equity and Continuity of Coverage for Vulnerable Seniors	1/1/23	Legal	\$5.00	\$20.00
Patient Access and Developer Portals	4/1/22	Admin	\$4.06	\$2.73
Health Care Bonus Enforcement	4/1/22	Admin	\$2.93	\$2.93
<b>Total Global Cap (Surplus)/Deficit</b>			<b>\$0.00</b>	<b>\$0.00</b>

## Overview of Medicaid Spending under the Executive Budget

- As of the beginning of 2022, there are approximately 7.4 million individuals enrolled in Medicaid
- Maintenance of Effort (MOE) requirements remain in place through the public health emergency and ARPA spending plan
- Medicaid enrollment projections in FY2024 are contingent on CMS guidance on the winddown of the Federal Public Health Emergency (PHE)

### Summary of All Funds Medicaid Spending:

Category	FY 2022 * (\$ in millions)	FY 2023 * (\$ in millions)	Change	
			Dollars (\$ in millions)	Percent (%)
<b>Medicaid</b>	83,374	91,978	8,604	10.3
<b>Medicaid (Global Cap)</b>	20,572	21,538	966	4.7

*\*FY 2022 and FY2023 totals do not include the Essential Plan.*

# Modifying the Global Cap Index

- The SFY 2022-23 Executive Budget includes a proposal to change the Global Cap metric from the ten-year rolling average of the medical component of the CPI to the five-year rolling average of Medicaid spending annual growth rate within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS).

<u>Global Cap Variance</u>				
Current Global Cap Growth				
(\$ millions)	FY2022	FY2023	FY2024	FY2025
DOH Global Cap	\$20,572	\$21,172	\$21,749	\$22,333
Year to Year Change	2.9%	2.9%	2.7%	2.7%
CMS Office of the Actuary Medicaid Projections - 5-Year Rolling Average				
(\$ millions)	FY2022	FY2023	FY2024	FY2025
DOH Global Cap	\$20,572	\$21,538	\$22,649	\$23,875
Year to Year Change	2.9%	4.7%	5.2%	5.4%
Current Global Cap to CMS Variance				
(\$ millions)	FY2022	FY2023	FY2024	FY2025
DOH Global Cap - Variance	\$0	\$366	\$899	\$1,542
Year to Year Change - Variance	0.0%	1.8%	2.4%	2.7%

- This new inflation metric will more accurately reflect the higher costs of providing Medicaid services because it considers utilization, enrollment growth, and service cost, and would increase the allowable growth of state Medicaid spending significantly.

2022-23 State Impact	2023-24 State Impact
\$366M	\$899M

# Restoration of 1.5% Across the Board (ATB) Reduction and 1% Increase to Medicaid Rates

- DOH implemented a 1% ATB payment reduction effective January 1, 2020 – April 1, 2020, which increased to a 1.5% ATB reduction effective April 2, 2020, and each Fiscal Year (FY) thereafter.
- This budget action restores the 1.5% ATB Reduction effective April 1, 2022.

2022-23 State Impact	2023-24 State Impact
\$140.76M	\$140.76M

- In addition, the State is making a multi-year investment in Medicaid providers by increasing Medicaid operating rates across the board by an additional 1% to respond to market needs and compete in the labor market to attract qualified workers.

2022-23 State Impact	2023-24 State Impact
\$318.31M	\$318.31M



# Service Area Impacts from Restoration of the 1.5% ATB Reduction and 1% Medicaid Rate Increase

FY 2023 Executive Budget ATB Service Area Impacts

Category	Restoration of 1.5% ATB Reduction *	1% Rate Increase
<b>Inpatient Services</b>	<ul style="list-style-type: none"> <li>• Hospital Inpatient Reimbursement (inc. capital &amp; FFS GME);</li> <li>• Indigent Care Pool (ICP) payments;</li> <li>• GME payments for MMC patients;</li> <li>• DSH payments and Indigent Care Adjustments made to governmental hospitals operated by the State of New York or the SUNY; and</li> <li>• Supplemental Medicaid payments and DSH payments made to voluntary hospitals.</li> </ul>	<ul style="list-style-type: none"> <li>• Operating Costs for Hospital Inpatient Reimbursement (inc. FFS GME); and</li> <li>• GME payments for MMC patients;</li> </ul>
<b>Nursing Homes</b>	<ul style="list-style-type: none"> <li>• In State Nursing Homes (inc. capital); and</li> <li>• Out of State Nursing Homes (inc. capital).</li> </ul>	<ul style="list-style-type: none"> <li>• Operating Costs for In State Nursing Homes; and</li> <li>• Operating Costs for Out of State Nursing Homes.</li> </ul>
<b>Non-Institutional Long-Term Care Services</b>	<ul style="list-style-type: none"> <li>• Assisted Living programs;</li> <li>• Home Health; and</li> <li>• Personal Care.</li> </ul>	<ul style="list-style-type: none"> <li>• Assisted Living programs;</li> <li>• Home Health;</li> <li>• Personal Care;</li> <li>• NHTD/TBI Waiver</li> </ul>
<b>Managed Care**</b>	<ul style="list-style-type: none"> <li>• Managed Long-Term Care; and</li> <li>• Managed Care (including HIV SNP).</li> </ul>	<ul style="list-style-type: none"> <li>• Managed Long-Term Care; and</li> <li>• Managed Care (including HIV SNP).</li> </ul>
<b>Other Services</b>	<ul style="list-style-type: none"> <li>• Article 28 Freestanding Clinics and Ambulatory Surgery Centers (inc. capital);</li> <li>• Article 28 Hospital Based Outpatient (inc. capital);</li> <li>• Pharmacy;</li> <li>• Physicians both office-based and other places of service;</li> <li>• Dental, Eye, X-ray, etc.; and</li> <li>• Supplemental Payments.</li> </ul>	<ul style="list-style-type: none"> <li>• Operating Costs for Article 28 Freestanding Clinics and Ambulatory Surgery Centers;</li> <li>• Operating Costs for Article 28 Hospital Based Outpatient;</li> <li>• Physicians both office-based and other places of service;</li> <li>• Dental, Eye, X-ray, etc.;</li> <li>• Residential Hospice Services;</li> <li>• Early Intervention;</li> <li>• Children's HCBS;</li> <li>• Children's Health Home services; and</li> <li>• Operating Costs for FQHCs and Rural Health Clinics.</li> </ul>

\* The 1.5% ATB Reduction was applied to the entire plan/provider payment, and therefore, was not a traditional rate increase like the 1% ATB proposal.

\*\* Managed Care Plans are still at the lower bound of the actuarial range consistent with prior year proposals, therefore, the restoration of the 1.5% ATB Reduction is superseded. However, the 1% ATB Rate Increase will be added to plans rates on top of the lower bound.

# Long Term Care Actions

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# Long-Term Supports and Services (LTSS) Services Authorization Guidelines

- Enacted as part of the SFY 2019-20 (MRT II) Executive Budget, the Long-Term Care Advisory Group recommended implementation of a “uniform tasking tool” for use by plans and local departments of social services (LDSS) to help determine service utilization, including the number of Personal Care Services (PCS)/Consumer Directed Personal Assistance (CDPAP) hours of care each day. The uniform tasking tool was intended to be validated, using data from the Community Health Assessment (CHA) and would be consistently applied to all members.
- This proposal modifies the MRT II proposal from requiring the implementation of a single uniform tasking tool to a requirement that tasking tools used by plans and LDSS meet specific service authorization guidelines and standards. Many plans already use such tasking tools.
- Developing clear guidelines for industry applied tasking tools will promote transparency for plans, LDSS, and Medicaid members when assessing the service authorization for LTSS issued by the plan/LDSS. The information from the tasking tool informs the plan of care and should be information also reviewed at Fair Hearing (Effective April 2023).

2022-23 State Impact	2023-24 State Impact
(\$0)	(\$5M)

# Increasing Private Duty Nursing (PDN) Services Reimbursement for Nurses Servicing Adult Members

- To support continuity of care for medically fragile children transitioning from pediatric to adult cases, DOH will increase the fee-for-service (FFS) reimbursement for adult PDN cases to achieve reimbursement parity between pediatric and adult PDN cases.
- This proposal will result in a FFS fee structure for PDN that is comparable to Medicaid Managed Care, improving access for adult FFS members seeking PDN services and creating parity between PDN reimbursement for children and adults.

<b>\$19.4M</b>	<b>\$25.6M</b>
<i>* SFY 2022-23 Investment is funded through ARPA HCBS eFMAP Spending Plan</i>	

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# Licensed Home Care Services Agency (LHCSA) Request for Offer (RFO) Refinement

- This proposal incorporates an administrative efficiency component into the selection process for the LHCSA RFO that was authorized as part of the SFY 2019-20 budget (MRT II Reforms).
- The objective of this initiative is to promote quality and value for LHCSAs serving Medicaid recipients by “pre-qualifying” a selection of LHCSAs by service area that can meet the needs of the members and participate in value-based payment (VBP) arrangements with MMCOs, consistent with the NYS VBP Roadmap.
- In addition to evaluating LHCSAs on adherence to technical requirements, including the ability to perform LHCSA services, past performance history, and capacity to serve beneficiaries in the designated services areas, the procurement would now be expanded to evaluate LHCSAs on their administrative efficiency to deliver LHCSA services.

2022-23 State Impact	2023-24 State Impact
(\$0)	(\$25M)

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# Managed Care Actions

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# Managed Care – Rate Adjustments

## Restore the MMC/MLTC Quality Pools

- Restores dollars associated with Quality Incentive (QI) Pool payment funding that was cut as part of the State Fiscal Year 2020-21 Enacted Budget for both Mainstream Managed Care (MMC) and Managed Long-Term Care (MLTC) -- restoring \$60M (State Share) for the MMC Quality Pool and \$17.25M (State Share) for the MLTC Quality Pool.

2022-23 State Impact	2023-24 State Impact
\$77.25M	\$77.25M

## Adjust HIV-Special Needs Plans (HIV SNP) Plan Rates

- Increases all three HIV SNPs to higher points in the actuarial rate range to reflect the high needs of this population.

2022-23 State Impact	2023-24 State Impact
\$14.71M	\$14.71M

## Moving Integrated Plans to Middle of the Rate Range

- Invests \$40M gross (\$20M State share) to increase Medicaid Advantage Plus (MAP) plan premiums to the mid-point of the actuarial rate range, providing an accelerated and smoother transition to integrated care.

2022-23 State Impact	2023-24 State Impact
\$20M	\$20M

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# Competitively Procure Managed Care Organizations (MCOs)

- **Overview**

- Provides authority for DOH to competitively procure MCOs participating in four Medicaid managed care programs – Mainstream Managed Care (MMC), Managed Long Term Care Partial Capitation (MLTCP), Medicaid Advantage Plus (MAP), and Health and Recovery Plans (HARP); PACE and HIV SNP are not being procured.
- The need for a procurement reflects that these MCO contracts are collectively the largest contracts in the *entire* state (more than \$53 billion in spending per year) and New York is only one of three states out of the 40 that use MCOs in their Medicaid programs that do not competitively procure MCOs.
- DOH will consult with other State agencies as necessary, including DFS, OMH, OASAS, OPWDD, and OCFS, in the development of the requirements and implementation of the initiative. When performing the competitive procurement, the RFP process would emphasize and thus select plans that have historically been the most efficient in the program (both from medical and administrative perspective) driving an overall reduction in program expenditures and administrative costs.

2022-23 State Impact	2023-24 State Impact
(\$0)	(\$100M)

- Implementation of Procurement is scheduled for October 2023



# Competitively Procure MCOs (Continued)

- **Rationale for Change**

- **Competitively procuring MMC, HARP, MLTCP and MAP will advance many of DOH's overarching policy goals including:**
  - **Behavioral Health Integration:** Identify plans that have demonstrated experience investing in member services and implementing strategies of successful behavioral health integration that improve member outcomes.
  - **Plan Sustainability:** Since the inception of the MLTC program, there have been a greater number of plans than is necessary to provide adequate choice, resulting in plans struggling to grow membership, providing quality outcomes, and achieving financial sustainability.
  - **Expansion:** Encourage plans to “invest in the market” by providing coverage across geographic regions (as many regions are underserved and others are overserved) and expanding product lines (Mainstream, HARP, MLTCP, MAP, CHP, EP and QHP) so that members can stay with their plan as their needs/income changes or if they move elsewhere in the state.
  - **Network Inclusion:** Provider networks need to reflect the “long-game” and support network congruency between product lines, which is not the case today.
  - **Strategy and Reinvestment:** Plans should demonstrate commitment to New York's larger Medicaid strategies, including VBP, social determinants of health, directed payments, and in-lieu of services, whether through commitments made during an RFP or through community reinvestment.
  - **Administrative Efficiencies:** Requiring plans to bid competitively on their administrative spend (and potentially having fewer plans) means that New York can recognize efficiencies by avoiding duplication of administrative overhead.

# Competitively Procure MCOs (Continued)

- **DOH Guiding Principles**

- **Advance Health Equity and Align with Broader Medicaid Strategy:**

- Procurement is expected to further New York's strategy on promoting health equity through community reinvestment in social determinants of health, pursuing in-lieu of services, enhanced reimbursement for certain high-needs services, and commitments to value-based payment and other initiatives outlined in the next 1115 Medicaid waiver.

- **Maintain Member Choice and Mitigate Potential Member Disruption:**

- The RFP will require that there be a minimum of two (2) plans per line of business or a maximum of (5) plans per line of business for each region, which will ensure member choice.
    - Procurement process offers built in preference in the scoring to plans that are willing to offer multiple plan types specifically to maintain a seamless process as much as possible, as well as serve multiple geographies
    - Procurement will focus on provider network inclusion, such that plan changes will not likely cause the need to change providers who already participate in Medicaid network and is intended to offer even more choice.
    - No benefit package services available to enrollees will be eliminated as a result of this procurement – if anything, benefits and services will be expanded

# Coverage Expansion – Essential Plan (EP), Child Health Plus (CHP) and Medicaid

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# Coverage Expansion – *Essential Plan*

Subject to federal approval:

- **Eligibility Expansion.** Expands Essential Plan eligibility from 200% to 250% of FPL for individuals who are currently Qualified Health Plan (QHP) eligible;
- **Pregnancy/Postpartum.** Gives individuals enrolled in the Essential Plan the option to remain enrolled in the Essential Plan when they become pregnant instead of moving to Medicaid, provides pregnant individuals in the Essential Plan 12-months postpartum coverage following their pregnancy, and deems infants born to Essential Plan enrollees up to 223% of FPL to be eligible for Medicaid for one year; and
- **Community Based Long Term Services and Supports.** Adds Community-Based Long-Term Services and Supports (CBLTSS) to the Essential Plan benefit package.

# Coverage Expansion – *Essential Plan*

## Allow Individuals to Stay Enrolled in EP Upon Pregnancy:

- Subject to federal approval:
  - Provides individuals the option to stay enrolled in EP when they become pregnant instead of moving to Medicaid, and aligns EP benefits with Medicaid;
  - Provides pregnant individuals in the EP 12-months postpartum coverage following their pregnancy;
  - Deems infants born to EP enrollees up to 223% of FPL to be eligible for Medicaid for one year; and
  - Cost sharing will be eliminated for this population to align with Medicaid.

2022-23 State Impact	2023-24 State Impact
\$0	(\$165M)

# Coverage Expansion – *Essential Plan*

## LTSS (Non-Institutional) Coverage in the EP

- The Essential Plan (EP) covers more than 950,000 low-income New Yorkers who are not Medicaid eligible. The program has served as a critical safety net during the COVID-19 pandemic for those New Yorkers who lost their jobs and/or income.
- Subject to approval from CMS, the EP benefit package would be expanded to include Community-Based Long-Term Services and Supports, including personal care services, for EP members living with long-term chronic illnesses.
- This initiative will more closely align the benefits covered under the EP to those covered under the Medicaid program. It will also allow some individuals currently receiving these services in Medicaid to receive them in EP when this change is implemented.

2022-23 State Impact	2023-24 State Impact
(\$110.56M)	(\$110.56M)

# Coverage Expansion – *CHP*

## Eliminate the \$9 Family Premium Contribution for CHP Families

- Eliminates the \$9 per month family premium contribution in the Child Health Plus program for children with household income between 160 and 222% of the FPL, children in households with income between \$27,876 and \$38,676 for a household of two and between \$42,408 and \$58,836 for a household of four.
- This impacts approximately 146,000 children who frequently are cancelled for non-payment due to inability to pay the \$9 per month family premium contribution.

2022-23 State Impact	2023-24 State Impact
\$3.8M	\$7.9M

## Expand the CHP Benefit Package

- This proposal expands the CHP benefit package to include critical mental health services, including but not limited to: Children and Family Treatment and Support Services (Crisis Intervention, Community Psychiatric Support and Treatment, Psychosocial Rehabilitation, Youth Peer Support and Training and Family Peer Support), Children’s Home and Community Based Services, Assertive Community Treatment (ACT) and Residential Rehabilitation for Youth (RRSY).
- The proposal also includes several additional benefits vital for children, including coverage of additional medical supplies, expanded orthodontia coverage consistent with Medicaid, medical transportation (air ambulance and transportation between hospitals) and health services covered at an Article 29-I Facility/Voluntary Foster Care Agency.

2022-23 State Impact	2023-24 State Impact
\$10.7M	\$44.4M

# Coverage Expansion - CHP Program to Access Federal Funding for Enhanced Pregnancy Coverage

- Seek Federal Funding Medicaid Coverage for Undocumented Individuals During Pregnancy
  - This proposal allows the State to seek federal funding through the Children's Health Insurance Program (CHIP) for pregnant individuals regardless of Medicaid coverage eligibility and who are currently covered with State-funded Medicaid. The proposal would also allow federal financial participation for these pregnant individuals covered in Child Health Plus.
  - This proposal sustains coverage for this population by allowing the State to claim FFP for 34,000 undocumented pregnant individuals, who are currently covered with State-funded Medicaid (\$282M Annually).
    - It would also allow FFP for ~200 undocumented pregnant teenagers covered in CHP.
  - This proposal *does not* change the level of coverage or scope of benefits for these Medicaid enrolled individuals and creates a mechanism for future global arrangements to offer postpartum coverage.

2022-23 State Impact	2023-24 State Impact
(\$183M)	(\$171M)



# Coverage Expansion – Medicaid

## Promote Health Equity and Continuity of Coverage for Vulnerable Seniors

New York will promote health equity for vulnerable seniors and individuals with disabilities by aligning income eligibility for adults as they become eligible for Medicare through the following actions:

- *Eliminating the resource test for seniors and individuals with disabilities.*
- *Raising the income level for seniors and individuals with disabilities from the SSI related levels (approx. 87% FPL) to 138% FPL to align with MAGI income.*

Since federal law allows applicants to place excess income and resources into irrevocable trusts to establish Medicaid eligibility, eliminating the resource test is not expected to drive large increases in enrollment. Rather, these actions will make it easier for individuals who currently must be transferred to local districts when they turn 65 or gain Medicare due to a disability to remain in NYSOH in the future. Additionally, it would allow those who are dually eligible for Medicaid and Medicare and with the local districts to be more easily transferred to NYSOH in the future.

2022-23 State Impact	2023-24 State Impact
\$5M	\$20M

*Under federal law, post-eligibility rules for LTSS eligibility including transfer of asset requirements cannot be eliminated like the resource test. This means that the 60-month lookback requirement for nursing home coverage cannot be eliminated by the State. While not federally required, the 30-month lookback adopted by the State is a separate post-eligibility rule and is not modified by this proposal, but implementation continues to be delayed due to MOE requirements.*

# Maternal Health Actions

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# Advancing Comprehensive Maternal Health Services

- Invest in strategies that increase efficiencies and reward quality, performance, and access to care for maternal care; align financial incentives with improved outcomes
- Improve access to and quality of NYS maternal health care and services
- Improve NYS maternal health population outcomes and experience of care
- Reduce costs associated with Cesarean deliveries and poor birth outcomes
- Reduce racial disparities

<b>Medicaid Strategy - Investment</b>	<b>SFY23 (State)</b>	<b>SFY24 (State)</b>	<b>2-yr Total (State)</b>
<i>Benefit Expansion (RDs, CHWs/FPN, Dyadic Therapy, Remote Patient Monitoring and Midwife Rate Increase)</i>	\$6,335,000	\$18,760,000	\$25,095,000
<b>State-Directed Payment - Maternal Health Incentive Pool</b>	\$8,000,000	\$13,000,000	\$21,000,000
<b>State-Directed Payment - L&amp;D Hospitals Incentive Pool</b>	\$7,000,000	\$12,000,000	\$19,000,000
<b>Total Investment</b>	<b>\$21,335,000</b>	<b>\$43,760,000</b>	<b>\$65,095,000</b>

# Address Maternal Health Gaps in Medicaid Coverage

- To align with updated NYS Medicaid Perinatal Care Standards and recommendations of the NYS Taskforce on Maternal Mortality and Disparate Racial Outcomes:
  - ✓ **Nutrition services** – reimburse Registered Dietitians to provide services to pregnant persons
  - ✓ Care coordination and peer support services - reimburse for Community Health Workers (**CHWs**) and **Patient Family Navigators (PFNs) services** for maternal health population
- To fully enable Remote Patient Monitoring (RPM):
  - ✓ **Bluetooth enabled devices** – include in coverage of telehealth/RPM services
- To operationalize recommendations of the First 1000 Days on Medicaid Initiative Preventive Pediatric Care Clinical Advisory Group:
  - ✓ **Dyadic services** – reimburse as integrated primary care for young children and their caregivers
- To increase access and diversify options for care, in alignment with NYS Taskforce on Maternal Mortality and Disparate Racial Outcomes recommendations:
  - ✓ **Midwifery services** - increase reimbursement rate
- To incentivize improved maternal and neonate outcomes:
  - ✓ Develop and implement a state-directed **Value Based Payment (VBP) arrangement for labor and delivery hospitals**
  - ✓ **Expand reimbursement of Noninvasive Prenatal Screening** to include coverage for all pregnant Medicaid members

# Pharmacy Actions

February 2022

# Eliminate Prescriber Prevails

- Discontinues the prescriber prevails provision which requires the Medicaid program to approve a prior authorization of a prescription drug regardless of whether clinical criteria is met.
- This proposal would:
  - Ensure drugs are prescribed only when medically necessary and used for FDA labeled or compendia supported indications; and
  - Promote clinically effective and medically appropriate drug utilization.

2022-23 State Impact	2023-24 State Impact
(\$41.21M)	(\$49.45M)

# Establishing Parity and Uniform Clinical Standards across both Medical and Retail Pharmacy Benefits in Fee-for-Service (FFS)

- Establishes parity and uniform clinical standards across both medical and retail pharmacy benefits in FFS.
- Leverages existing tools under the pharmacy benefit to establish utilization management tools for drugs dispensed under the medical benefit.
- Requires a system investment to develop real time upfront processes that provides drug coverage transparency, reduces administrative burdens and reduce the financial burden by decreasing the lag time for reimbursement.

2022-23 State Impact	2023-24 State Impact
(\$0)	\$5M

# Other Actions

February 2022



# Investing in Behavioral Health Services for Children

**HCBS, CFTSS and 29-I Rate Increases:** Increasing reimbursement rates for Children’s Home and Community Based Services (HCBS), Child and Family Treatment and Support Services (CFTSS) and 29-I Health Facility services to assist providers in building service capacity.

Program	Previous Adjustments	4/1/21-3/31/22	4/1/22- 9/30/22	10/1/2022 and beyond
HCBS	N/A	+ 25%	+ 25%	Updated Base Rates
CFTSS	+11% <sup>(1)</sup>	+ 14%	+ 25%	Updated Base Rates
29-I Health Facility	N/A	+ 25% <sup>(2)</sup>	+ 25%	Base Rates

*(1) Effective 4/1/20-3/1/22; (2) Effective 7/1/21*

**Provide Reimbursement for HCBS Assessments for Health Homes Serving Children:** To ensure that children are promptly assessed for waiver eligibility and to ensure children/youth are connected to needed services.

**Provide Reimbursement under the Children’s Waiver for Transitional Services:** To ensure access to necessary HCBS for children and youth being discharged from an institutional level of care.

**Support Child Welfare Step-Down Programs:** Support child welfare agencies to restructure their care delivery systems to reduce the number of children and lengths of stay of children in Qualified Residential Treatment Program (QRTP).

**Expand School Supportive Health Services Program (SSHSP):** To allow school districts to provide Medicaid covered behavioral health services to Medicaid enrolled children while in school.

**Enhance funding for Evidence-Based Practices:** In the delivery of Children’s Behavioral Health Services.

2022-23 State Impact*	2023-24 State Impact
\$32.26M	\$42.83M
*SFY 2022-23 Investment is funded through the ARPA HCBS eFMAP Spending Plan	

# Applied Behavior Analysis (ABA) Rate Increase

- Applied Behavior Analysis (ABA) therapy is the design, implementation, and evaluation of environmental modifications, using behavioral stimuli and consequences, to produce socially significant improvement in human behavior, including the use of direct observation, measurement, and functional analysis of the relationship between environment and behavior.
- ABA services can be provided by licensed behavior analysts (LBAs) or Certified Behavior Analysts Assistants (CBAAs) working under the LBAs supervision. NYSED licensure/certification is a requirement for enrollment in the NYS Medicaid program.
- ABA therapy for Individuals with Autism Spectrum Disorder or Rhett's Syndrome were authorized to be added to the Medicaid benefit package as part of the SFY 2019-20 Executive Budget at the \$29 hourly rate.
- This proposal will increase the Medicaid reimbursement rate to \$76.31 per hour to align Medicaid reimbursement with Child Health Plus and other commercial payors.

2022-23 State Impact	2023-24 State Impact
\$36.61M	\$36.61M

# Promote Access to Primary Care

- Invests in primary care by benchmarking Medicaid fee-for-service physician reimbursement rates for Evaluation & Management and Medicine codes to 70% of current Medicare reimbursement rates.
- Medicaid reimbursement rates for most physician services have not been updated since 2009 – Increased rates will incentivize providers, including primary care providers, to increase their participation with Medicaid, which will improve access to primary care services.
- SFY 2022-23 costs are prorated based on a July 1, 2022 implementation date.

2022-23 State Impact	2023-24 State Impact
\$4.93M	\$6.60M

# Durable Medical Equipment (DME) Proposals

## Increase Reimbursement for the Top 20 Orthotics and Prosthetics (O&P) Codes to 80% of Medicare Rates

- Establishes higher reimbursement to O&P providers for the top 20 O&P Codes to enhance access to O&P for Medicaid members. Fee structure will be comparable to Medicare and other third-party insurers.

2022-23 State Impact	2023-24 State Impact
\$3.75M	\$3.75M

## Enhanced DME in FFS

- Adjusts reimbursement for diabetic supply products including glucometers and test strips to align FFS reimbursement more closely with managed care plans and other states.
- Achieve administrative efficiencies through a contract with a DME management organization to provide support services including:
  - ✓ Fee schedule consultation
  - ✓ Provider compliance and oversight
  - ✓ Credentialing and monitoring
  - ✓ Fraud, waste and abuse review

2022-23 State Impact	2023-24 State Impact
(\$0.17M)	(\$8.65M)

February 2022

# Reduce Administrative Burden from the Utilization Threshold Program for FFS

- This proposal streamlines the Utilization Threshold Program in FFS to decrease the administrative burden on members and providers and monitor service utilization retrospectively
- Utilize post-payment review process and referrals to OHIP pre-payment Provider on Review Program and to the Office of Medicaid Inspector General (OMIG) when there is suspected fraud, waste, or abuse

2022-23 State Impact	2023-24 State Impact
(\$0.23M)	(\$0.23M)

# Technology Innovation

## Patient Access and Developer Portals

- Create an access point that can be used by mHealth developers to enable consumers to access their own Medicaid claims and provider data through mHealth (smartphone) Applications.

2022-23 State Impact	2023-24 State Impact
\$4.06M	\$2.73M

## Center for Medicaid Innovation

- Identify and cultivate innovative digital health technologies and solutions capable of furthering the goals of the Medicaid program to achieve better quality, lower costs, and improved patient experiences.
- The Center will connect private technology companies looking to integrate with Medicaid systems — assessing new technologies, care models, and offerings and their potential application to Medicaid populations — to respond to gaps in Medicaid service delivery and make innovative care tools available to more New Yorkers.

2022-23 State Impact	2023-24 State Impact
\$1.20M	\$1.20M

February 2022

# Resources



Website:

[https://www.health.ny.gov/health\\_care/medicaid/redesign/mrt\\_budget.htm](https://www.health.ny.gov/health_care/medicaid/redesign/mrt_budget.htm)

MRT Budget Information.



Email: [mrtupdates@health.ny.gov](mailto:mrtupdates@health.ny.gov)



DOH Medicaid Update:

[https://www.health.ny.gov/health\\_care/medicaid/program/update/main.htm](https://www.health.ny.gov/health_care/medicaid/program/update/main.htm)



MRT LISTSERV:

[https://health.ny.gov/health\\_care/medicaid/redesign/listserv.htm](https://health.ny.gov/health_care/medicaid/redesign/listserv.htm)

# Questions?

*Please submit your question to  
All Panelists using the Q&A feature of  
the WebEx Event meeting.*

