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Medicaid Director Delivers Presentation on MRT Reforms and the Executive Budget

The Department of Health hosted a [webinar](#) last Wednesday to recap the 25 MRT Phase II recommendations that were included in the Governor's 2012-13 Executive Budget.

Overall, total Medicaid spending is projected to equal \$54 billion in 2012-13 (State and Federal share), a \$2 million decrease from the prior year, even though this year, the State share of Medicaid costs will actually increase by \$600 million (\$15.3 to \$15.9 billion) as a result of the 4% growth in the State Medicaid global cap that was built into last year's budget.

As for the State takeover of local administration and county fiscal relief, the State's assumption of Medicaid growth is projected to save the counties \$369.6 million in its first full year of implementation (FY 2016). The State hopes to partially offset these annual increases by capping local administrative reimbursement at FY 2012 levels.

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Tracking MLTCP Applications

The Medicaid Redesign Team (MRT) added to its website a [spreadsheet that tracks applications](#) made to establish new or expand existing managed long term care plans (MLTCPs).

So far, applicants have submitted fourteen applications to establish new MLTCPs, eight applications to add a line of service and eighteen applications to expand service area. Most applicants are or are proposing to be partial capitation models. Most applications propose to serve New York City, Long Island and Westchester.

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DOH Presents MLTCP Risk Sharing Plan

The Division of Finance and Medicaid Rate Setting [presented](#) the Department of Health's proposal to establish Managed Long Term Care (MLTC) Risk Corridors during the weekly meeting of the MLTCP Implementation Advisory Group on Thursday.

With mandatory enrollment into MLTCPs slated to begin April 1, DOH has developed the risk corridors to incentivize existing MLTCPs to begin enrolling eligible members and to mitigate the risk of enrolling a number of members with unknown cost histories. Participating plans will share its profits and losses with the State.

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MLTCP Quality Performance Measurements

The MLTCP Implementation Advisory Group recently released [a summary](#) of the Performance Measurement Report for Managed Long Term Care Plans. The Performance Measurement Report is based on data collection from the Semi-Annual Assessment of Members (SAAM). It is important to note that there are no national quality standards for plan accreditation at this time.

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Regulatory Updates

DOH

Potentially Preventable Negative Outcomes

The Department of Health has adopted a rule that prohibits Medicaid payments to providers for "Potentially preventable negative outcomes (PPNOs)". The rule has been in effect in emergency form since July 1, 2011, and was formally adopted February 1, 2012 without any changes.

In general, the rule prohibits Medicaid from reimbursing providers for PPNOs, which are ten reasonably preventable conditions acquired during the hospital inpatient stay. PPNOs include DOH's "never events" and CMS's "hospital acquired conditions". A full list of the PPNOs is included in the [final rule](#).

CHHA Episodic Pricing

DOH issued a [proposed rule](#) last Wednesday that would implement CHHA episodic pricing for services beginning April 1, 2012. The proposed rule would implement the provisions under Public Law Health § 3614 (13), which were enacted last year, and establish an episodic payment system based on 60-day episodes of care to discourage over-utilization of CHHA services. The base price would be based upon all Medicaid paid CHHA claims from January 1, 2009 through December 31, 2009, and would be adjusted for patient acuity and regional wage differences. The base year would be updated at least every three years.

The Department is accepting comments on the proposed rule until 03/19/2012.

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Legislative Spotlight

After this week's lengthy Assembly Health committee agenda and the numerous bills that were moved to the next step in the legislative process, the upcoming week's Legislative committee agendas are somewhat less filled with health-related bills. Below is a roundup of this week's most important bill activity and a look ahead to next week's agendas.

Roundup

[A.8869 \(Gottfried\)](#) / [S.6228 \(Hannon\)](#) – This bill would extend New York's current Accountable Care Organization demonstration program for a period of at least five years. More importantly, it would allow ACOs to become Medicaid Managed Care providers. The bill was reported from the Assembly Health Committee to the Ways and Means committee. The Senate counterpart is with that house's Health committee.

[A.2474-A \(Canestrari\)](#) / [S.3186-A \(Hannon\)](#) – This bill, which would authorize collective negotiations by health care providers with insurance plans, was reported from the Assembly Health committee to the Ways and Means committee. This legislation would also exempt physicians in New York from certain antitrust laws and would dramatically increase physicians' bargaining power with insurers. The Federal Trade Commission has recently weighed in with an opinion letter that highlights the negative impacts it is likely to have on New York's healthcare marketplace.

[A.551 \(Gottfried\)](#) / (No Senate counterpart) – This bill would sanction nursing homes which are found not to be providing basic standards of care by subjecting them to nursing home diversion. While on diversion, the nursing home may not admit new residents (although may readmit prior residents.) The bill was reported from the Assembly Health committee to the Ways and Means committee at its meeting on Tuesday, January 31.

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The Week Ahead

[A.4285 \(Rivera P\)](#) – This bill, which currently has no Senate companion bill, would establish mental health parity in public health insurance plans. Specifically, this would require that the mental health benefits available under Family Health Plus and Child Health Plus be comparable to the medical benefits available through those programs. This bill has been introduced in the Assembly each year since 2007 but has not passed to date. It is on this week's Health committee agenda.

[A.6079 \(Zebrowski\)](#) / [S.2843 \(Carlucci\)](#) – This legislation would allow municipalities and other public districts to enter contracts for the cooperative administration of benefits. This is intended to reduce the cost of benefits and to provide additional health plan options to municipal employees and employers. The bill passed the Senate last year and is on the Senate Committee on Local Government's agenda for its February 6 meeting. (The Assembly companion bill is with the Local Government committee.)

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Upcoming Events

February 6, 2012 - Public Hearing on Executive Compensation

February 6, 2012 – Meeting of the NYS Council on Graduate Medical Education.

February 8, 2012 – Joint Legislative Public Hearing on Executive Budget: Health / Medicaid.
[Webcast.](#)

February 14, 2012 - Joint Legislative Public Hearing on Executive Budget: Mental Hygiene

February 15, 2012 – Public Session of the NYS Board of Examiners of Nursing Home
Administrators. [Webcast.](#)

March 2, 2102 – Meeting of the Early Intervention Coordinating Council Reimbursement
Advisory Panel.

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