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POSITION PAPER ON DOH/OPWDD MANAGED CARE INITIATIVE

The New York State Department of Health (DOH) with the assistance of Office for People for Developmental Disabilities (OPWDD) is attempting to replace a system of reimbursed fees for services for people with I/DD with a new system of capitated medical, residential, day habitation and related services. This plan is set forth in revised Draft Transition Plan (1115 waiver) dated February 21, 2018. The rationale for this change is that the capitated managed care program is believed to be more efficient and economical and thus save the state money. GROW believes this replacement program is likely to fail and leave people with I/DD in the unfortunate position of suffering the consequences. **For this reason and the reasons stated below, GROW calls on the Governor to direct the DOH to abandon this project and for state legislators to refuse to fund DOH's replacement plan.**

First, several other states have attempted this transition with generally failing results. This is evidenced in the National Council on Disability (NCD) report Medicaid Managed Care Community Forums Final Report, dated April 2016, its Analysis and Recommendations for Implementation of Managed Care in Medicaid and Medicare Programs for People with Disabilities, dated February 2012, and its Medicaid Managed Care for People with Disabilities Policy and Implementation Considerations for State and Federal Policymakers, dated March 2013. These reports and analysis conclude that many states have failed to attend to the "unmet needs" of their I/DD populations through managed care. Apparently DOH is confident that it will succeed where many others have failed. Nothing so far has given us reason to share this confidence.

Second, to pay for this replacement system a program of cost capitation will be devised by the DOH which will fund the cost of providing all medical, residential, day habitation, social, recreational and related services for each of the approximately 100,000 I/DD individuals receiving Medicaid services in the State. The combined costs of all such individuals will constitute the pool of funds from which service providers will be paid. Whereas the existing system reimburses providers' costs at rates set by the state, no fiscal system has been devised to account for the disbursement of or accounting for the capitated funds in a transparent and accountable way. No safeguards have been identified to prevent unscrupulous service providers from gaming the system as has been the case in the past.

Third, the revised draft of the plan provides limited details concerning how medical services will be provided under the new program. While the DOH, in response to the first Draft comments attached list after list of providers across the state who

apparently have, to some extent, represented that they have served Medicaid participants, DOH failed to consider that people with I/DD have complex needs and often require very specialized medical, and mental health needs. Furthermore, managed care organizations often only provide a limited number of specialists and hospitals, not all of whom may be accustomed to serving people with I/DD. Finally, it is not clear that I/DD people will be permitted to continue to receive medical services on a fee for services basis beyond the first 24 months of the transition to the new program. Obviously, such a rule will disrupt established physician patient relationships to the detriment of the patient's continued medical care.

Fourth, the draft document requires mandatory enrollment of all I/DD individuals (except for those having third party employer plan insurance or are enrolled in Medicare) in a medical care organization and if they fail to select a plan, they will automatically be assigned by computer algorithm.

Fifth, DOH's attempt to save money is coming shortly after the ranks of the New York Medicaid population has been increased because of the State's adoption of the Affordable Care Act. The New York Times has reported that approximately one-third of New York's population, of approximately 19 million, are now Medicaid recipients. While New York's 100,000 I/DD population believes that all Medicaid recipients should have affordable health care, the cost of providing that coverage should not come at the expense of the I/DD population. Much is made of the fact that while the number of I/DD Medicaid recipients account for a miniscule portion of the Medicaid population, the cost of providing those services is out of proportion to their numbers. This observation merely reflects the well-established fact that the I/DD population has greater medical, mental health and related services needs than other Medicaid recipients.

Sixth, because DOH is the state agency charged with administering the state's Medicaid program, it appears OPWDD's involvement with innovating, directing, and overseeing the care provided to individuals with I/DD will be subverted to DOH so that individuals with I/DD will lose the vital protections and advocacy that OPWDD was created to provide.

For the foregoing reasons, GROW respectfully requests the Governor to direct the DOH to abandon its efforts to restructure the existing program of I/DD services and request New York State Legislature to refuse to fund the DOH's plan and continue to fully fund OPWDD on a fee for service basis.

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