



May 2, 2019

Submitted Electronically

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Department of Health and Human Services
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**RE: CMS -2407-PN: Basic Health Program; Federal Funding
Methodology for Program Years 2019 and 2020**

The New York Health Plan Association (HPA) represents 29 managed care health plans that provide comprehensive health care services to nearly 8 million New Yorkers, including 11 of the 15 plans participating in New York's Basic Health Plan (BHP), known as the Essential Plan (EP), reflecting more than 90% of the program's enrollees. As implemented in New York, the EP is a successful program which provides affordable, high quality health coverage to nearly 800,000 residents. Along with other market driven solutions to expand coverage to the Medicaid population and establish a successful health exchange under the Affordable Care Act (ACA), the EP has helped New York reduce the state's uninsured rate from 10% before the ACA to below five percent by the end of 2017. The BHP was created to provide a more affordable coverage option to adults with incomes up to 200% of the federal poverty level. We estimate that 90% of the \$300 million funding reduction that would result from the proposed methodology - or \$270 million - would impact New York State. A reduction of such magnitude will certainly undercut the program's goal to provide affordable coverage, running counter to the intent of the ACA.

After review of the proposed methodology referenced above, HPA opposes the changes because of the impact on the affordability of the program on low-income consumers, and submits the following comments:

HPA requests that any changes to the BHP Federal Funding methodology be only made prospectively. While HPA recognizes that CMS currently has authority to implement changes retroactively in limited situations, we do not believe this proposal meets any of those requirements as outlined in 42 CFR 600.610 (c)(2). In addition, we have serious concerns that such action, taken well into 2019 and after the state's budget has been finalized for the year, could destabilize the program since plans will not be given adequate time to prepare for changes to the funding methodology and the likely impact on reimbursement to plans that would accompany such a change.

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Under such circumstances, plans could be forced to make business decisions regarding payment to providers, provider networks or even their participation in the program which could negatively impact hundreds of thousands of people. Further, any prospective adjustment to the federal funding methodology should reflect factors unique to states that have participated in the BHP for reasons outlined below.

HPA requests that the payment methodology not be changed to incorporate either the premium adjustment factor (PAF) or the metal tier selection factor (MTSF). As proposed by CMS, the federal funding methodology would calculate both a premium adjustment factor (PAF) and a Metal Tier Selection Factor (MTSF) using data on enrollees in non-BHP states. As a result of both fewer options made available to low-income populations in other states and the absence of robust consumer education and support programs in other states, we have reason to believe that consumers in these states may be more likely to choose lower premium bronze plans. We believe that since health coverage choices made by consumers in states that did not participate in the BHP are significantly different than choices made by New York's consumers, incorporating such data into a funding formula for New York would skew the formula to the detriment of states that have adopted a BHP.

HPA urges CMS to reconsider any adjustment to the BHP federal funding methodology. We appreciate the opportunity to provide comments on this proposed methodology and your consideration of our feedback.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eric Linger".

President & CEO
New York Health Plan Association