



NEWS RELEASE

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New York Health Plan Association on Medicaid Redesign Team Recommendations *Statement by Eric Linzer, HPA President & CEO*

“We appreciate the amount of time and service that the members of the Medicaid Redesign Team (MRT) devoted in developing today’s recommendations, particularly in the face of the significant public health crisis confronting health care providers, health plans, employers, consumers and the state.

“Given the significant impact that the coronavirus disease is having on all New Yorkers, this is the worst possible time to be adding to the cost of coverage and we are concerned that several of the provisions in today’s recommendations will increase health care costs for employers, consumers and union benefit funds without improving the quality of care. Among them:

- **Statutory changes related to payment denials:** while framed as streamlining administrative processes between Medicaid managed care organizations and hospitals, this proposal would add hundreds of millions of dollars in new costs for both Medicaid and the commercial market, making health care more expensive for all New Yorkers; and
- **Carving out the pharmacy benefit from Medicaid:** this proposal will not only fail to generate any savings but will, in fact, significantly increase costs for the Medicaid program and have negative clinical consequences because it will diminish plans’ ability to provide care coordination.

“Additionally, the MRT’s recommended funding cuts fall disproportionately on health plans. Of the \$2.5 billion in proposed reductions to close the spending gap, more than \$1.1 billion are directed at health plans and accounts for roughly 45% of the total the MRT proposed. This includes the bulk of the \$851 million in FY 20 cuts that are rolled into the 2020-21 fiscal year.

“Despite facing hundreds of millions of dollars in rate cuts the last several years, our member plans have been consistent, reliable partners in the state’s coverage expansion and delivery system reform efforts, and have been working closely with the Administration to protect New Yorkers from the public health crisis resulting from the coronavirus disease. Among the steps that have been taken:

- Waiving cost-sharing for COVID-19 testing;
- Eliminating cost-sharing for telehealth services;
- Establishment of a Coronavirus Special Enrollment Period;
- Suspending Preauthorization and Notification Requirements for Inpatient Hospital Services.

“By further slashing health plan rates, imposing new administrative costs on private coverage, and carving-out the pharmacy benefit, these provisions will increase costs for employers and consumers and make it more difficult to protect the long-term viability of the Medicaid program and the millions of New Yorkers who rely on our member Medicaid plans.”

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The New York Health Plan Association represents 29 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.