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NEWS RELEASE

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NEW YORK HEALTH PLAN ASSOCIATION TO TESTIFY ON THE EXECUTIVE BUDGET PLAN *HPA Highlights Key Priorities in Health Budget Proposals*

New York Health Plan Association President and CEO Eric Linzer will testify at today's Senate and Assembly joint hearing on the Executive's health budget proposals. In his comments, Linzer will urge lawmakers to address the following measures:

Reject the Cut to Medicaid Health Plan Rates

The budget proposes to eliminate the 1% across the board administrative rate increase provided to Medicaid managed care organizations in the current year, resulting in a cut to plan rates of more than \$400 million in FY25.

According to Linzer, "This is a significant cut that will make it more difficult for health plans to make the investments necessary to fulfill the goals of advancing health equity, reducing health disparities, and enhancing care coordination envisioned in the State's recently approved 1115 Medicaid Waiver."

Restore the Quality Pool Funding that Improves Quality and Addresses Health Equity

The Executive Budget would completely eliminate funding for the Medicaid Quality Incentive (QI) Program, totaling more than \$223 million. The QI Program supports a broad range of initiatives that health plans partner with providers and community organizations to improve the quality of care for low-income New Yorkers and address the factors that create barriers to equitable care for residents across the state.

"In a Medicaid budget that totals nearly \$100 billion, eliminating a program that accounts for less than 0.3% of spending but improves the quality and equity of care is penny wise and pound foolish," said Linzer. "When the Executive has reduced or eliminated funding for the QI Program, the Legislature has consistently restored it in the final budget to sustain these vital services, and we urge them to do so again this year."

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Reject the Medicaid Managed Care Procurement

The Governor’s proposed budget reintroduces a proposal to procure the Medicaid managed care program. This will result in elimination of health plans from the program, taking away options and disrupting care for from the state’s most vulnerable residents.

Linzer noted, “Two years ago, the Legislature rejected a similar proposal, in part, because of the impact it would have on more than 5 million New Yorkers who rely on these plans for their care. We urge the Legislature to reject this proposal again.”

A copy of the full testimony is available at <https://nyhpa.org/wp-content/uploads/2024/01/HPA-Testimony-2024-Health-Budget-hearing-FINAL-01-21-24.pdf>

The New York Health Plan Association represents 26 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.