For Immediate Release
February 8, 2024

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NEW ANALYSIS DETAILS FISCAL SAVINGS AND ENHANCED QUALITY AND SATISFACTION WITH MLTC PLANS IN NEW YORK STATE

A group of statewide associations representing both health care providers and health plans, including the New York Conference of Blue Cross and Blue Shield Plans (NYSCOP) the New York Health Plan Association (HPA), the Home Care Association of New York State (HCA), LeadingAge New York (LANY) and the New York State Coalition of Managed Long Term Care Plans (Coalition), today released a new fiscal and program analysis of S.7800 (Rivera)/A.8470 (Paulin), a bill proposing to eliminate the current Medicaid Long Term Care (MLTC) program and replace it with a fee-for-service (FFS) model. Using conservative estimates, the analysis shows the proposal would cost the State between **$3.07 Billion to $4.67 Billion annually while also undoing advancements in quality outcomes and disrupting care management for nearly 300,000 vulnerable New Yorkers.**

“This bill would repeal a decades-old program that has proven success and high levels of consumer satisfaction; a program that the recent 2023 AARP Long Term Services and Supports Scorecard ranked 6th in performance across all states and best among large states,” said Lev Ginsburg, NYSCOP Executive Director. “The proponents of this bill want to destroy this program for the primary purpose of using specious savings to pay for their own special interests.”

According to the new fiscal analysis, the proposal’s estimates of savings are based on assumptions that are both misrepresented and grossly overestimated, while also failing to recognize efficiencies achieved through Medicaid managed care that produce savings for the State. Indeed, the “savings” are illusory; the legislation would actually cost the State billions of dollars.

“It is important to have an honest discussion about the cost impact S.7800/A.8470 would have on the State’s long-term care spending, as the proponents’ alleged savings are seriously flawed,” said Eric Linzer, President & CEO of the NY Health Plan Association. “A realistic analysis must account for the increased costs to the State and counties to support the needs of low-income and disabled individuals.”

Based on these considerations, the new fiscal analysis conservatively estimates that repealing the MLTC program and returning to FFS would cost the State between $3.07 billion to $4.67 billion annually.

Direct Impacts	Est. Fiscal
County Administration	$50M
Direct Care Management Expenses	$1,096M
Lack of FFS Cost Containment	$700M – $2.24B
Loss of premium tax revenue	$129M
Loss of FFP for Wage Parity	$854M
Loss of DOH population management control across managed care product lines	$60M – $120M
Recent MLTC Budget Actions	$186M
Total	**$3.07B to $4.67B**

Other flaws with the advocates "savings" estimates include:

- **State's imposed COVID Rate Adjustment was not recognized** — During FY21, the State reduced the MLTC premiums by 3.5% in January of 2021, retroactive to April 1, 2020, to include the entire fiscal year, to reflect the reduction in utilization as a result of COVID. The reduction was for the entire premium – medical/long-term care services and supplies, pharmacy, care management, administrative costs – which the proponent's calculations fails to reflect.
- **Efficiencies achieved through Medicaid managed care are ignored** — Like other states, New York has long assumed savings when transitioning populations or benefits into Medicaid managed care. When New York transitioned to mandatory MLTC enrollment in 2012, it assumed an "efficiency adjustment" — savings attributable to more appropriate service utilization under managed care than fee-for-service. If this proposal were to become law, the State would need to account for that adjustment and assume an increase in utilization of services (even though increases in services are likely unnecessary), creating a significant cost to the State. The proposal, however, assumes an unrealistic zero growth in utilization.

Another factor that is overlooked by proponents of the legislation is the high enrollee satisfaction with the current program and its success in in ensuring members receive high quality care.

The Department of Health's 2022 Managed Long-Term Care Report found that 90% of plan respondents rated their health plan as good or excellent, 89% rated the quality of care of their care manager as good or excellent, and 86% rated the helpfulness of their plan in managing their illness as good or excellent. The report also gave plans high marks for keeping members healthy, with nearly 75% or enrollees receiving recommended flu vaccinations, nearly 76% receiving pneumococcal vaccinations and preventing injuries due to falls for more than 91 % of plan enrollees.

"New York prides itself in offering the most generous home and community-based benefit packages in the nation. MLTC plans and their provider partners have worked diligently to expand access to community-based care and ensure that members are getting the services they need," said Jim Clyne, President & CEO of LeadingAge New York. "Passage of S.7800/A.8470 would undermine the strides they have made and remove an important lifeline that enables older adults and people with disabilities to live independently in the community."

"More than a decade of data shows that New York's MLTC program is a proven, popular and cost-effective way to drive optimal health outcomes for the most vulnerable New Yorkers," said Emma DeVito, chair of the Coalition.

“Switching to a fee-for-service program would increase costs to taxpayers while disrupting care for the people who need it most. This bill is the wrong policy, and we urge lawmakers and State leaders to reject it.”

“This proposal, while seeking improvements, would in fact destabilize the system for patients, providers, workers, and health plans, and cause dislocation of the critical services and system management that have been 10 years in formation. The infrastructure formerly relied upon prior to MLTCs no longer exists as such, and the inarguable improvements and successes in transitioning the system from local social service district administration to MLTCs would be gone. Most importantly, 300,000 individuals across New York needing long term care and helped by their MLTC and providers, would have that health care ‘partner’ taken from them. We urge the legislative sponsors to reconsider the proposal,” said Al Cardillo, President & CEO of the Home Care Association of New York State.

The analysis is available at https://nysblues.org/wp-content/uploads/2024/02/rivera-paulin-bill.pdf

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