



Testimony of
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Provided to the Joint Legislative Budget Hearing on 2024 Executive Budget Proposal:
Health/Medicaid

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Reject the Restructuring of Health Home Care Management Proposed Cuts

The Coalition of New York State Health Homes (CNYSHH) represents 24 Health Homes across every region of New York State with CNYSHH member Health Home enrollees totaling over 170,000 adults and children/youth including those with the highest medical, behavioral health, and social care needs in the state. The CNYSHH seeks to improve the health and lives of all individuals served in the Health Homes by enabling providers to deliver the highest quality, most cost-effective complex care management to all.

The NYS Care Management Coalition represents thousands of Care Managers statewide serving adults, children and families with complex medical, behavioral health and social determinants of health needs.

We would like to extend our gratitude to Chairs Senator Liz Kruger and Assemblymember Helene Weinstein, and all the members of the Assembly and Senate Committees for holding this hearing on the health-related proposals in the Governor’s Executive Budget for the State Fiscal Year 2024-25.

We are testifying to express our extreme concern over the Executive Budget proposal to “Restructure the Health Home Program.” The Governor’s Executive Budget contains a proposed \$125 million cut to the Health Home Care Management (HHCM) program. According to the Health Department’s agency

budget presentation, “The Budget builds upon last year's restructuring of the health home program to focus care management on the most severe, acute patients, to coordinate these services with the new 1115 waiver care management programs.” This proposed cut will create significant disruption to the continuum of mental health and health care and decimate the community safety net providers, Care Management Agencies and Community Based Organizations in advance of the newly approved 1115 Waiver Amendment initiatives getting started.

The Governor’s Executive Budget proposal outlines a program cut of \$125 million on the back of a \$100 million HHCM cut in the NYS 2023-24 budget. It also is on top of a \$21 million cut to Health Homes serving children (HHSC) that was implemented outside of the SFY 24 budget process. In addition, the total appropriation in the Executive’s proposed SFY 25 budget does not add up to past year’s appropriations. The math is simple – these cuts and deceptive accounting will disseminate the entire health and mental health system for adults, children, and families.

The Health Home community, including Lead Health Homes, Care Management Agencies and associated advocacy groups have spent the past year collaborating with the NYS Department of Health, Office of Mental Health, the AIDS Institute, and Medicaid Managed Care Plans to implement initiatives and policies that ensure that the most “severe and acute patients” are in fact those enrolled in the Health Home program. Standardized appropriateness criteria and assessment as well as an on-going eligibility assessment process was developed and implemented in collaboration with NYS Department of Health and Health Home stakeholders.

Who will be Impacted?

The proposal in the Governor’s Executive Budget for SFY 2024-25 includes no insight on how additional cost savings could be achieved outside of significantly cutting the program and the populations served. We ask, “who are you willing to cut”? Those adults living with Serious Mental Illness, kids with Serious Emotional Disturbance or Complex Trauma, adults and kids living with HIV or Sickle Cell Disease, patients with Alcohol and Substance use Disorder, individuals with intellectual/developmental disabilities, a medically fragile child, a patient that was recently diagnosed with a terminal illness, or released from a correctional facility, those with intimate partner violence, or those who are homeless? This is just a fraction of who Health Homes serve and these are the faces of the NYS Medicaid members that would no longer receive services should these cuts be implemented.

Governor Hochul's own vision, eloquently articulated in her budget presentation, champions expanding services, improving access to care, and protecting the vulnerable. Her commitment to mental health, opioid crisis support, children’s services, housing, and community-based services directly contradicts this callous cut.

In Violation of the Approved 1115 Waiver Amendment

The approved 1115 Waiver Amendment (NYHER) outlines a significant commitment to care management, health equity, and highlights the vital role that care management plays in addressing the health-related social care needs of the Medicaid population with complicated life and health care challenges. The Health Home program already has the infrastructure, workforce, and expertise in place to help facilitate the goals of the 1115 Waiver Amendment and connect individuals with the social services they need. In fact, Health Homes and Health Home care management is listed over 20 times in

the 1115 Waiver Amendment approval from CMS. To significantly modify and change the Health Home program in advance of the waiver initiatives starting seems counterintuitive and threatens the overall success of NYS in the waiver.

Furthermore, this proposed cut directly contradicts the maintenance of effort provisions of the recently approved 1115 Waiver amendment, which hinges on effective care management and Health Home programs to address the complex needs of the Medicaid population. This reckless decision jeopardizes the very waiver that the State spent nearly two years negotiating.

People will Lose Jobs

This proposed budget cut would cripple many of these community-based organizations providing not only Health Home services but a full array of many other community-based services. Health Homes have contractual relationships with 589 Care Management agencies across the state in every county and every community. They represent a workforce of over 4000 mission driven professionals serving NYS' most vulnerable individuals, with 47%¹ of this workforce being BIPOC serving 77% of members who are also BIPOC. Care Management Agencies have decades of experience providing thousands of individuals with mental health services and addressing health-related social care needs.. The HHCM program has successfully achieved better outcomes while simultaneously saving costs to the overall health care system. This evidenced informed model has proven outcomes for adults, children, and families for over a decade. Any additional cuts to this program would destabilize the healthcare continuum in an already fragile healthcare delivery system.

Health Home Outcomes

A Health Home is a network of community-based Care Management agencies that work with more than 180,000 high-risk, high-need adults and children with serious and complex physical health, mental health, and substance use disorders in their local community to achieve better health outcomes, member satisfaction and overall cost reduction to the system. Care managers work with adults, children and their families who enroll in a Health Home to develop an individualized comprehensive plan of care, and then help them navigate the health care delivery system, schedule appointments, obtain housing and benefits, support health-related social care needs, arrange transportation, and communicate between health care providers. Care managers also provide education about how to manage chronic conditions, taking medications properly, and understanding often complex discharge plans, and follow-up after a hospitalization. Health Home care management is woven into the fabric and integrated into every aspect of the healthcare and social care delivery system across the entire state of New York with healthcare providers dependent on Health Home care management to support their most acute and complex patients.

¹ HHCM 2023 Workforce Survey Results

Health Homes and Health Home Care Management continue to achieve savings and provide quality outcomes.

Health Home members enrolled 9 months or more had a:²

- **37.8% reduction** in In-Patient Hospitalizations resulting in cost savings of \$8.764 Million or on average \$2,486.00 per member.
- **17.2% reduction** in Potentially Preventable Visits (PPV) Emergency Room
- **37% reduction** in Potentially Preventable Readmissions (PPR)

Health Homes Work in Connecting Members to Community Level Healthcare

- **54.3% increase** in outpatient services, including Primary Care visits.
- **32.2% increase** in pharmacy services

Health Homes play a critical role in improving population health management across NYS by being the primary provider of Medicaid Complex Care Management and demonstrate positive health outcomes that have resulted in cost savings. **It would be wasteful and inefficient to discard the infrastructure that has been built in Health Homes and Health Home Care Management over the past decade rather than to continue to improve and enhance these services.**

CONCLUSION

Restructuring the Health Home program with the significant budget cuts proposed in the Governor's Executive Budget would cripple the healthcare continuum as we know it resulting in significant adverse effects for the NYS members most in need. Community based organizations, including mental health agencies will have trouble remaining fiscally viable, hospitals systems will be flooded with patients in need of higher level of care with decreased capacity to support the necessary safe transitions back into the communities, workers will be laid off and most importantly, adults, children and families with significant health and mental health needs will be disrupted in their services. **Access to care will be severely limited if not eliminated.** HHCM outcomes have consistently demonstrated a positive impact on our adults, children and families in our communities, as well as reducing hospitalizations and ER visits which achieve a great savings to the overall systems. Health Home Care Management continues to be the crutch that holds together a fragmented system and the most important component in connecting those most at risk to integrated care. Without this valuable resource the future success of New York in many waivers, efficiencies and value-based payment initiatives is at risk.

² Draft Outcomes presented by DOH, November 18, 2022, HH/MCO Workgroup

We respectfully ask you to **Reject the Restructuring of Health Homes Proposal Cuts.**

Sincerely,

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