



TESTIMONY OF

THE COALITION OF NEW YORK STATE PUBLIC HEALTH PLANS

ON THE GOVERNOR'S PROPOSED SFY 2025 HEALTH AND MEDICAID BUDGET

SUBMITTED FOR THE

Joint Legislative Budget Hearing on Health

**SENATE FINANCE COMMITTEE CHAIR LIZ KRUEGER AND ASSEMBLY WAYS AND MEANS
COMMITTEE CHAIR HELENE E. WEINSTEIN PRESIDING**

JANUARY 23, 2024

About the PHP Coalition

Members of the Joint Legislative Budget Committee: Thank you for the opportunity to testify on behalf of the Coalition of New York State Public Health Plans (“PHP Coalition”). **The PHP Coalition represents seven health plans that collectively serve more 5.5 million New Yorkers enrolled in the State’s government-sponsored healthcare programs:** “Mainstream” Medicaid Managed Care (MMC), HIV Special Needs Plans (HIV SNPs), Health and Recovery Plans (HARPs), Child Health Plus (CHP), Essential Plan (EP), and subsidized Qualified Health Plan (QHP) coverage offered through the New York State of Health Marketplace.

PHP Coalition plans are committed State partners, focused on expanding access to coverage and care, while improving healthcare quality for the lowest-income New Yorkers. Coalition plans specialize in delivering high-quality services to populations that have traditionally faced barriers to care, with the goal of improving health and reducing health-related disparities. The priorities that follow reflect the need to preserve and strengthen New York’s public healthcare coverage programs, which support the health of more than a third of New York’s population.

Promote Access to Uninterrupted, Affordable Coverage and Better Maternal Health Care

In the SFY25 Executive Budget, the Governor makes clear the State’s intent to provide **continuous eligibility in Medicaid and CHP for children ages 0 to 6** by proposing legislative authority that would allow children under age 6 who are determined eligible for these programs to remain eligible and enrolled in coverage until they turn 6, without having their eligibility redetermined on an annual basis (as is current practice). Coalition plans *strongly* support this important investment in children’s healthcare coverage.

PHP Coalition plans also applaud the Governor’s stated proposals to expand and enhance affordable coverage for New Yorkers, including efforts to **improve the affordability of the Essential Plan** (e.g., through reduced cost-sharing, increased funding for certain treatment) as well as Qualified Health Plan coverage (e.g., through new subsidies for individuals with incomes up to 350% of the federal poverty level). PHP Coalition plans also support much-needed **investments in mental health and maternal health** and seek to partner with the State to build on work already underway in this area (e.g., expanding access to doulas).

Restore and Make Permanent Critical Investments in Medicaid Managed Care Quality

The State’s Medicaid Managed Care (MMC) Quality Incentive Program (QIP) funds critical investments in provider quality and community-based initiatives that improve health outcomes and address health-related social needs for many of the State’s most vulnerable populations. Plans meeting State-determined quality metrics earn QIP awards that enable them to pay providers for delivering high-value care and advancing evidence-based practices. In addition to delivering much-needed funds to Medicaid providers, the QIP funds essential services to members—services that improve members’ health outcomes, reduce health disparities, and increase quality of life. MMC QIP funding enables:

- **Payments to providers who deliver high-quality care to members**, enabling providers to invest in programs and technology that support continued delivery of top-quality care for New York’s lower-income populations.
- **Direct financial support of primary and behavioral health providers via higher reimbursement** that funds more intense interventions for high-need members and investments in care management resources to better engage members in their care.

- **Technical assistance and continuing medical education for providers** in maternal and child health, substance use disorders, pediatric and geriatric care, and other key areas for serving Medicaid enrollees.
- **Partnership with research facilities to develop, test, and scale successful models of care**, such as using maternal care navigators to improve connections to follow-up care for high-risk mothers, using community health workers to improve cardiovascular outcomes in South Asian communities, and implementing care transition supports for members with schizophrenia.

Despite the positive impact and significant value created by the MMC QIP—and the Governor’s stated priority to improve the health and wellbeing of New York’s vulnerable populations and reduce health disparities—the **SFY25 Executive Budget proposed eliminating all Medicaid quality funding**. The Governor proposed eliminating all funds for these programs last year as well, though fortunately the Legislature largely restored funds for SFY24. The fact that MMC and Managed Long Term Care (MLTC) QIP funding allocation is administrative and subject to the uncertainties of the State’s budget process has led to **massive instability in the programs**: each year, plans do not know whether there will be funding available or how much there will be to pay their provider and community-based partners. **This instability stands in the way of sustainable investment in health care quality in New York Medicaid.**

Last year, in recognition of how important these programs are to the Medicaid community, both the Senate and the Assembly **unanimously** passed legislation that would make the MMC and MLTC QIPs permanent, though Governor Hochul vetoed that legislation in December. Senator Mannion has reintroduced legislation this session, Senate Bill [S.7992](#). ***We urge the Legislature to reject the Governor’s proposal to defund these critical Medicaid quality programs and to support the inclusion of Senate Bill S.7992 in any enacted budget to ensure sustainable funding for what has become a powerful tool for driving high-quality and high-value health care for the State’s lowest income residents.***

Avoid Disrupting the Care and Coverage of Vulnerable New Yorkers by Rejecting Medicaid Managed Care Procurement (HMH Part H)

The Executive Budget proposes having the Department of Health (DOH) conduct a procurement of its Medicaid managed care programs, including but not limited to MMC and HARP (the program for individuals with serious behavioral health needs). This proposal, which was put forward and rejected by both houses in the SFY23 budget process, has the potential to **limit plan choice** for low-income residents, **significantly disrupt enrollee coverage and care**, particularly that of the State’s most vulnerable populations, **negatively impact local economies** where managed care plans and their provider partners are key employers, and **drain critical DOH resources**, which are already stretched very thin and will be further strained as DOH works to implement its recently-approved 3-year \$7.5 billion 1115 waiver.

Procurements the size of what is being proposed by the Governor take *years*, cost millions of State dollars, often result in protracted litigation and are regularly cancelled (see recent examples in California, Texas, New Mexico, Washington, DC, Rhode Island and Louisiana)—all with little benefit to the State or its Medicaid enrollees. There is also concern that such a procurement could lead to local non-profit plans leaving the market. Instead of pursuing a highly resource-intensive and costly procurement, the State can and should make improvements to its Medicaid managed care programs under existing authority.

- **Disruption in Enrollee Care.** Procurement could disrupt the care and coverage of hundreds of thousands of New Yorkers and reduce plan choice for the State’s lowest income residents. It would

sever longstanding relationships between members—including individuals with chronic physical, behavioral health and/or long-term care needs—and their plans, providers, and care managers.

- **Damage to Local Economies.** Managed care plans serve many roles in their communities, including employer. In closing plans across the State, the Governor’s proposal would eliminate an important source of jobs. Coalition plans alone have headquarters and regional offices in 18 counties across the State, and this does not include “storefront” or community-based offices, where plan staff help community members enroll in public coverage and get connected with primary care.
- **Drain on State Resources.** Recent experience in other states shows that Medicaid managed care procurements can take years longer than anticipated, require intensive state resources to develop and manage, be confusing to consumers, and result in protracted litigation—with little benefit to the state or its Medicaid enrollees. New York’s own experience with Medicaid procurements (most recently, for Fiscal Intermediaries for the Consumer Directed Personal Assistance Program) bears this out. Procurement would also divert already-stretched DOH attention and resources away from other efforts to improve health and wellbeing and address health disparities—including the new health equity-focused initiatives authorized in the State’s 3-year 1115 waiver amendment. **Put simply, the level of disruption is too high, the opportunity cost is too great, and the outcomes too uncertain.**

For all of the aforementioned reasons, we urge the Legislature to reject the Medicaid managed care procurement proposal.

Thank you again for the opportunity to provide testimony on these critical issues. PHP Coalition plans look forward to continuing their partnership with the State to ensure strong and sustainable safety net health programs and to best serve the New Yorkers that rely on them.

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If you have any questions, please do not hesitate to contact the Coalition’s representatives at Manatt, Tony Fiori (AFiori@manatt.com) and Hailey Davis (HDavis@manatt.com).

APPENDIX: MEMBERS OF THE COALITION OF NEW YORK STATE PUBLIC HEALTH PLANS

Plan	Product Lines Offered	Counties Served
Amida Care	HIV SNP	New York City
EmblemHealth	Mainstream MMC, HARP, CHP, QHP, EP	<i>Public Insurance Programs:</i> New York City and Nassau, Suffolk, and Westchester counties <i>EP and QHP:</i> New York City, Albany, Broome, Columbia, Delaware, Dutchess, Fulton, Greene, Montgomery, Nassau, Orange, Otsego, Putnam, Rockland, Saratoga, Schenectady, Schoharie, Suffolk, Sullivan, Ulster, and Westchester counties
Fidelis Care	Mainstream MMC, HARP, CHP, QHP, EP	Every county in the State (for most product lines)
Healthfirst	Mainstream MMC, HARP, CHP, QHP, EP	New York City, Nassau, Orange, Rockland, Suffolk, Sullivan, and Westchester counties
MetroPlus Health Plan	Mainstream MMC, HARP, CHP, HIV SNP, QHP, EP	New York City
Molina Healthcare	Mainstream MMC, HARP, CHP, EP	<i>Public Insurance Programs:</i> New York City, Allegany, Broome, Cattaraugus, Chautauqua, Chenango, Cortland, Erie, Genesee, Livingston, Monroe, Nassau, Onondaga, Ontario, Orange, Orleans, Rensselaer, Seneca, Suffolk, Tioga, Tompkins, Wayne, Westchester, Wyoming counties. <i>EP:</i> Allegany, Broome, Cattaraugus, Chautauqua, Cortland, Chenango, Erie, Genesee, Livingston, Monroe, Onondaga, Ontario, Orleans, Seneca, Tioga, Tompkins, Wayne, and Wyoming counties
MVP Health Care	Mainstream MMC, HARP, CHP, QHP, EP	<i>Public Insurance Programs:</i> Albany, Columbia, Dutchess, Genesee, Greene, Jefferson, Lewis, Livingston, Monroe, Oneida, Ontario, Orange, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Sullivan, Ulster, Warren, Washington, and Westchester counties <i>EP and QHP:</i> 50 counties in the State