



Care Management Alliance of New York, Inc.

***Testimony of the Care Management Alliance of New York
Before the Joint Legislative Public Hearing on the SFY 2024-2025 Executive Budget Proposal:
Topic Mental Hygiene
February 13, 2024***

Thank you, Senator Krueger, Assemblymember Weinstein, Senator Brouk, Assemblymember Gunther, Senator Mannion, Assemblymember Seawright and all the committee members for the opportunity to testify on Governor Hochul's proposed Health and Medicaid budget for State Fiscal Year 2022-2023.

We are the Care Management Alliance of New York (CMANY), representing the seven specialized care coordination organizations (CCOs) who provide care management services to approximately 128,000 New Yorkers with intellectual and/or developmental disabilities (I/DD) and their families. CCOs are the only entity in the State that address the comprehensive care needs of New Yorkers with I/DD. CCOs are the organizations through which people with I/DD enter the OPWDD system and through which a comprehensive care plan is developed to meet their changing needs throughout their lifetime. One of our primary jobs is to ensure that individuals with I/DD get and maintain access to supports and services that will help them live a quality life. In doing so, we engage and collaborate with service providers across multiple service sectors including, but not limited to, I/DD, medical, dental, and behavioral health. Again, the CCOs are the only organizations in the State to fill this critical role.

Given this pivotal role, we were shocked to see that the Executive Budget is proposing a 4% cut to the CCO rates (State share: \$5M (OPWDD) and \$3.5M (DOH)). This will take \$17M away from the CCOs, take dollars out of the OPWDD system, and take away from New Yorkers with intellectual and/or developmental disabilities (I/DD) and their families. Additionally, despite the Executive Budget including CCOs in the cost of living adjustment (COLA) in the past two years, CCOs would be excluded from the Governor's proposed COLA this year. We implore the Legislature to (1) restore this rate cut; and (2) fully fund the COLA at 3.2% and apply it to all entities that have historically received the COLA.

Taking these actions will allow stabilization and improvement of the CCOs to ensure that they best serve New York's I/DD population going forward.

Background

In April 2018, the New York State Department of Health (DOH) and the New York State Office for People With Developmental Disabilities (OPWDD) received approval from the Centers for Medicare and Medicaid Services (CMS) to expand the Health Home Care Management program to serve individuals with intellectual and/or developmental disabilities (I/DD) through Care Coordination Organization/Health Homes (CCO/HHs). Effective July 1, 2018, CCO/HHs began serving individuals with I/DD who chose to receive this comprehensive model of Care Management.

The CCO/HH care management model provides a robust, integrated system of care management that not only includes OPWDD services, but also brings together medical, behavioral health services and other long-term support services in a single coordinated care plan. In any future delivery system model, the CCOs will necessarily play an integral role in ensuring that persons with I/DD be treated like whole persons, addressing all their care needs.



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In September 2023, the National Institutes of Health declared persons with disabilities, including I/DD, as a population facing significant health disparities.

People with disabilities often experience a wide and varying range of health conditions leading to poorer health and shorter lifespan. In addition, discrimination, inequality and exclusionary structural practices, programs and policies inhibit access to timely and comprehensive health care, which further results in poorer health outcomes. People with disabilities who also belong to one or more other populations with health disparities fare even worse.

In creating the CCOs, the State was prescient and recognized that any fair and equitable system must be built to look at persons with I/DD as whole persons with needs beyond services accessed through OPWDD. Cutting funding for these services at this time is unconscionable.

The Rate Reduction Proposal

While the Governor's Executive Budget for SFY 2024-25 does not specifically identify this in any of the Budget documents, OPWDD has informed the CCOs that the OPWDD financial plan for 2024-25 includes a 4% funding reduction for CCOs starting on July 1, 2024. This reduction would have a cumulative \$17M impact on the State's seven CCOs.¹

Timing. This rate reduction would have a significant adverse impact on a program that is a central element to the future of the delivery system but is still less than six years old in implementation. Reducing funding at this juncture could have significant long-term implications on the future of the program and the role it can play in the delivery system of services for persons with I/DD going forward.

Any decision on CCO rates is premature because OPWDD has undergone a process to evaluate the CCO program, and has engaged a consultant (AIR) for this purpose. We anticipate AIR will develop several recommendations regarding the future direction of the program. Making a decision to significantly reduce rate at this point could disrupt or derail the ability of the CCOs and OPWDD to execute on future policy direction.

Separately, OPWDD is awaiting the recommendations of Guidehouse on whether and how the State should advance its plan to transition Medicaid populations with I/DD to an integrated system of managed care. That report is expected in the next few months. Disassociating rate decisions from policy decisions is premature and ill-advised.

Rate Reduction Foils Ability to Invest into the Program. It has become more and more difficult to find services for the thousands of people applying for OPWDD support. This is requiring CCOs to reduce caseloads to better focus on these people. Many of these people are from underrepresented segments- people of color, ethnic groups, immigrants with no services. CCOs are the only lifeline connecting these people to services while they

¹ The fully annualized State savings to OPWDD would be \$5M; the savings to DOH approximately \$3.5M.



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wait. What message does it send to cut those supports and services? CCOs are investing in more outreach to underrepresented populations-trying to address the historic inequities.

For example, in the past 18 months one CCO has increased total care management staff alone by 10%, which resulted in over 70 positions through these increased recruitment and retention investments. Correspondingly, the care management payroll for that CCO grew 33% since FY 2021, reflecting over \$11M in additional wages from FY 21 to FY 24. (None of this includes additional IT, Quality, and Clinical investments the CCO has made in that same time period.) This rate reduction would threaten those recent, needed investments.

The rate cut would also threaten planned future investments. The CCOs work closely and collaboratively with OPWDD and have since the inception of the program. Understanding that ensuring integrated care for the I/DD population is critical under any scenario, the CCOs and OPWDD are constantly discussed strategies for growth and assessing opportunities for improvement, generally and particularly as it relates to underrepresented populations. For example, the CCOs have discussed with OPWDD initiatives to improve CCO performance and better meet the needs of the IDD population, all of which would be made difficult or impossible with the 4% rate reduction.

The COLA

In the past two years, the State has given providers in the human services space a cost of living increase. Each time, this included the CCOs. This year's proposed COLA does not include the CCOs. Failure to include the CCOs in the COLA will serve to further cut the CCO rates, further imperiling their ability to serve the population, as described above. **We urge the Legislature to increase the COLA to 3.2% and ensure that all entities in the human services sectors that were previously included in the COLA -- including CCOs -- are included in the final budget.**

Conclusion

The CCOs are the safety net for most of the 128,000+ children and adults with I/DD and their families. This proposed funding cut if implemented immediately impact that vital safety net and the quality of services by forcing the CCO/HHs to raise caseloads on an already very vulnerable and high-risk population. Leaving CCOs out of the COLA will further exacerbate that adverse impact.

If that happens, the consequences of this will be increased Medicaid spending, as more individuals and families go into crisis and their needs increase and more costly services are necessary to be provided. These reductions must be restored and no resources should be removed from the system at this critical time, especially as the system looks more wholistically serve the I/DD population and to do so in an integrated fashion.

Thank you for your consideration.