

## LEADINGAGE NEW YORK 2017 FEDERAL ADVOCACY AGENDA

1. **American Health Care Act:** This legislation would impose per capita caps on Medicaid expenditures and drastically reduce federal Medicaid funding. For New York State, the bill is projected to cut federal Medicaid funding by \$240 million in state fiscal year 2017-18, growing to \$2.4 billion annually by state fiscal year 2020-21. This fundamental restructuring of Medicaid financing and the resulting cuts would destabilize long-term care (LTC) providers and hurt the people and families who need LTC services. Seventy percent of people who turn 75 will, at some point, need LTC. Medicaid is the largest payer for these services in New York and elsewhere. If enacted, the House plan would force New York and other states to impose additional limits on Medicaid eligibility, reduce the services Medicaid covers, and/or reduce payments to providers. Any of these options would threaten the welfare of frail seniors and individuals with disabilities who need LTC services.

*LeadingAge NY respectfully urges Congress to maintain essential access to high quality LTC through the current Medicaid program structure, and oppose any proposals to impose block grants or per capita caps on the Medicaid program.*

2. **Home and Community-Based Services (HCBS) Settings Rule:** In 2014, the Centers for Medicare and Medicaid Services (CMS) issued a final rule [42 CFR §441.301(c)(4)(5)], which included new standards for what constitutes an HCBS setting, for purposes of receiving services under a Medicaid HCBS waiver program. We appreciate the spirit of the rule, which is to promote independence, autonomy and choice for individuals receiving Medicaid waiver services. We have serious concerns, however, that CMS's current guidance exceeds the reach of the final rule and that this will impact nearly every Medicaid beneficiary in New York State and elsewhere. If CMS imposes exceedingly strict standards, it could actually limit choices for seniors, promote unnecessary institutionalization, drive up the cost of care, and pull scarce resources away from caring for the elderly.

*LeadingAge NY asks Congress to urge CMS to: (1) suspend those aspects of the HCBS settings rule that create obstacles for seniors to receive services in adult day health care programs co-located in a nursing home and HCBS for individuals with dementia living in assisted living and adult care facilities; and (2) work with the senior service provider community to develop alternative implementation guidance specific to vulnerable seniors that appreciates the unique HCBS service needs and desires of that population.*

3. **Increased Minimum Wage:** New York State's Medicare-certified skilled nursing facilities (SNFs) and home health agencies (HHAs) are facing increased labor costs due to increases in the state's minimum wage, which will reach \$15 per hour by 2018 in parts of the State. The increase to New York State's minimum wage will raise these providers' costs by an estimated \$3 billion annually when fully implemented, adding to the significant financial stress they are already experiencing.

While the state is reflecting some of these costs in Medicaid reimbursement rates, the mechanics of Medicare rate-setting (i.e., wage index updates) are such that 2017 labor costs will not be reflected in Medicare rates until 2021. The problem is further exacerbated by the use of a hospital wage index – which is based on an employee mix that is not representative of the SNF and HHA workforce – to adjust SNF and HHA Medicare rates.

*LeadingAge NY asks Congress to direct CMS to expedite recognition of minimum wage increases in Medicare rates, and to collect the data necessary to establish SNF and HHA wage indices that are based on wage data from SNFs and HHAs, respectively.*

4. **Pending Medicaid Determinations from CMS:** To make changes to their Medicaid State Plans and be eligible to receive federal financial participation for these revisions, states are required to submit Medicaid State Plan Amendments (SPAs) to CMS for approval. CMS also reviews proposed changes to Medicaid managed care capitation rates. New York is awaiting CMS action on dozens of SPAs – including at least 12 amendments affecting LTC services – and several Medicaid managed care rate changes. The resulting lengthy delays in CMS action are delaying critically important payments to Medicaid providers and managed care plans and adding to administrative complexity, both of which threaten beneficiary access to needed services.

*LeadingAge NY respectfully urges Congress to contact CMS directly, and ask them to prioritize action on New York’s pending SPAs and managed care rate changes, and to develop workable processes to ensure timely action on future State submissions.*

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Please contact LeadingAge New York’s Advocacy and Public Policy Department at (518) 867-8383 if you have any questions on this information.

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*Founded in 1961, LeadingAge New York is the only statewide organization representing the entire continuum of not-for-profit, mission-driven and public continuing care including home and community-based services, adult day health care, nursing homes, senior housing, continuing care retirement communities, adult care facilities, assisted living programs and Managed Long Term Care plans. LeadingAge NY’s 400-plus members serve an estimated 500,000 New Yorkers of all ages annually.*