

## Support Consumer Choice and Access to High-Quality Managed Long-Term Care

The Governor's budget proposes approximately **\$263M** (all funds) in cuts targeted at the Medicaid Managed Long-Term Care (MLTC) program, plus a total of **\$800M** (all funds) in unallocated cuts that could potentially impact MLTC. In effect, these are cuts to community-based long-term care (LTC) services delivered to low-income older adults and people with disabilities. The MLTC program arranges and pays for the LTC services provided to approximately 325,000 older adults and people with disabilities eligible for Medicaid in New York. **At least 89 percent of each MLTC's premium must be spent on services** for members. Plans that spend less than the required amount must remit the difference to the State.

MLTC plans assist some of the most vulnerable New Yorkers to live in the community by providing robust nurse-led care management, arranging a custom-tailored set of LTC services, and supporting post-acute transitions from hospitals and nursing homes to the community. By arranging for community-based services for individuals who would otherwise require nursing home care, these organizations enhance the quality of life of their members, while helping to reduce overall Medicaid costs. MLTC plans and Programs of All-Inclusive Care for the Elderly (PACE programs) sponsored by not-for-profit LTC providers play a special role that combines a mission orientation with a wealth of experience and expertise in meeting the needs of Medicaid beneficiaries. They strengthen our LTC system by facilitating access to an array of customized, community-based services for this population on a local level.

Despite a persistent, statewide staffing crisis that has made delivering care in the community especially challenging, the most recent Department of Health satisfaction survey found that nearly 90 percent of MLTC members rated their plan as good or excellent. Notably, 94 percent of members rated their plan as good or excellent in allowing them to remain in their home rather than requiring nursing home care.

The Governor's budget proposes significant cuts and an unnecessary, disruptive procurement process on the MLTC program – before major program changes enacted in 2020 and 2023 have taken effect and related impacts have been evaluated. The new proposals will only add to the turmoil in the system without offering any coherent reforms.

### ***LeadingAge New York requests the following budget actions:***

**Preserve Consumer Choice and Provider-Sponsored MLTC – Block Competitive Procurement:** The Governor's budget would require a competitive procurement of MLTC plans that would advantage large insurers that focus on non-elderly, non-disabled populations, abandoning the specialized expertise and commitment of our MLTC plans sponsored by not-for-profit LTC providers. Moreover, this proposal would limit consumer choice and disrupt established relationships between consumers and providers and between providers and plans. This proposal is particularly unsound and premature given that nine MLTC plans submitted their merger and wind-down plans just a few months ago in response to legislation enacted in the 2023-24 budget. The effects of these consolidations have yet to be assessed.

**Reject the 1 Percent Cut in MLTC and PACE Rates:** The proposed 1 percent cut in MLTC and PACE rates represents a roughly \$150M (all funds) cut to community-based LTC services. Cutting reimbursement for MLTC, in the face of rising costs and staffing shortages, will only exacerbate access challenges and provider instability.

**Reject Proposed Elimination of the MLTC Quality Pool:** The Governor's budget would eliminate the MLTC Quality Pool, which provides quality incentives to MLTC and PACE plans that perform well on quality measures. These incentives are typically used by plans to reward high-quality providers and provide additional supports to enrollees. This cut is particularly objectionable as it disproportionately hurts high-quality plans and providers.

**Preserve Partial Cap MLTC and the Access It Has Created – Reject A.8470/S.7800:** This bill would eliminate partially capitated MLTC (serving nearly 280,000 older adults and people with disabilities) and replace it with fee-for-service coverage and health home care coordination or enrollment in a PACE or Medicaid Advantage Plus (MAP) plan. While not in the Executive Budget, this proposal is relevant to the policy issues above. Advocates for the bill overlook the efficiencies gained through MLTC, grossly overestimate any savings that might be associated with its elimination, and underestimate the cost and potential loss of access associated with shifting to a fee-for-service system. The bill would likely require local social services districts to take over care plan development and approval of home care hours and other services for every beneficiary. These are labor-intensive and high-cost functions that they are ill-equipped to assume. Prior to 2012, when personal care was primarily reimbursed through the fee-for-service system in our state, it was rarely approved and often unavailable in counties outside of NYC. In the absence of MLTC plans, no entity would be held accountable for developing networks of providers and securing access to services statewide.

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