

Support Access to High-Quality PACE and Managed Long-Term Care

Managed long term care (MLTC) plans, Programs of All-Inclusive Care for the Elderly (PACE programs), and Medicaid Advantage Plus (MAP) plans arrange and pay for the long-term care (LTC) services provided to approximately 376,000 older adults and people with disabilities eligible for Medicaid in New York. These plans and programs enable some of the most vulnerable New Yorkers to live in the community by providing robust nurse-led care management and arranging for community-based services for individuals who would otherwise require a higher level of care.

PACE programs represent a hybrid payer/provider model that covers and delivers directly both Medicaid and Medicare benefits. PACE programs not only arrange needed care in the participant's home, but also in day centers that provide primary care, therapies, personal care, recreation and socialization. Care is coordinated by an interdisciplinary team that works with the participants and their families to monitor their health and respond quickly with any necessary changes.

MLTC plans, MAP plans, and PACE programs sponsored by not-for-profit LTC providers play a special role that combines a mission-driven orientation with experience in meeting the needs of older adults and people with disabilities. Partnerships between non-profit plans and LTC providers benefit consumers by facilitating access to services on a local level.

Despite a persistent, statewide staffing crisis, MLTC plans, MAP plans, and PACE programs continue to receive high ratings by consumers. In the DOH June 2024 satisfaction survey, 93% of respondents rated their plan as excellent/good at helping them stay at home and not at a nursing home, and 88% said their plan of care always/usually met their needs.

Although the Governor's budget presentation points to rising MLTC enrollment as a source of Medicaid spending growth, it is important to recognize that the State has taken steps to reduce enrollment growth over the past few years, and those steps are beginning to show results. **Over the past year, aggregate enrollment across all MLTC, MAP, and PACE products has been flat, and enrollment in partially-capitated MLTC plans (i.e., those that do not cover Medicare benefits) has declined by approximately 18,000 enrollees.**

Policy changes aimed at reducing enrollment growth and generating savings for the State have increased plan costs without providing corresponding rate adjustments. While the State has saved \$500M (state share) from the shift to a single Consumer Directed Personal Assistance Program (CDPAP) fiscal intermediary, MLTC plans, MAP plans, and PACE programs have had to absorb increased costs associated with the transition of significant numbers of enrollees from CDPAP to licensed home care services. New clinical eligibility (i.e., minimum need) requirements for assistance with activities of daily living are likely to result in higher acuity enrollees overall, greater service needs, and higher costs.

MLTC plans, MAP plans, and PACE programs operate under stringent oversight to ensure that they are spending the premiums they receive on services for enrollees. They are required to file detailed cost reports and **must spend at least 89 percent of their premium on services for members**. Plans that spend less than the required amount **must remit the difference to the State**.

LeadingAge New York requests the following budget actions:

Restore the MLTC Quality Pool for Partial Cap and MAP Plans: When it was eliminated under the 2025-26 budget, the MLTC Quality Incentive Program distributed \$44.8M (all funds) to qualifying plans to fund value-based payments and rewards to high-quality providers (primarily licensed home care services agencies) and additional supports for enrollees. This cut is particularly objectionable as it disproportionately hurt high-quality plans and providers. The pool should be restored to continue support for high-quality, community-based long-term care.

Raise PACE Rates to Reflect 100% of the “AWOP”: PACE rates are capped, by federal regulation, at the amount that would otherwise be paid by Medicaid for a comparable population served outside of the PACE program (the “AWOP”). New York State pays PACE programs at 98% of the AWOP, rather than 100%, even though PACE programs are required to cover, at a minimum, the long-term services and supports covered by other MLTC products and often cover additional “wrap-around” social services. By raising rates to 100% of the AWOP, the State would strengthen these comprehensive, integrated programs. The final budget should include legislation requiring the State to pay PACE programs 100% of the AWOP.

Preserve Partial Cap MLTC and the Access It Has Created -- Reject S.2332-A/A.2018-A: Although not in the Executive Budget, some advocates have advanced the elimination of partially-capitated MLTC as a money-saving measure. The proposal would replace MLTC with fee-for-service coverage or enrollment in an integrated plan. Proponents of this legislation overestimate any savings that might be achieved, and underestimate the cost that might be incurred and access that might be lost, by shifting to a fee-for-service system. Prior to the expansion of MLTC in 2012, when personal care was primarily reimbursed through the fee-for-service system, 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.

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