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February 18, 2011

## Medicaid Redesign Raises Concerns

Dear NYAHSA Colleague:

As you know, the governor's budget proposal to cut an unprecedented \$2.85 billion in state support for Medicaid – a whopping 10 percent reduction – is focused on the deliberations of the Medicaid Redesign Team (MRT). NYAHSA has actively participated in the process, and most recently, we have communicated our specific concerns about the proposals the MRT is evaluating.

We are strongly opposed to elements of these proposals that would orchestrate more direct cuts and new taxes on long term care providers, over-rely on managed care to address the needs of chronically ill people, threaten the very existence of time-tested home and community-based programs and impose more unfunded mandates on providers.

MRT members were given a winnowed-down list of 49 proposals to rate using a feedback tool. They must turn in their rankings by noon tomorrow, February 18, so the proposals can be discussed at the MRT's next in-person meeting on February 24 in Albany. The entire list of proposals that remains after the discussions will be subject to an up-or-down vote by the MRT on March 1. MRT members will not be able to vote for/against individual proposals; they must vote on the whole package. If the package is rejected, Governor Cuomo will decide which proposals to make to the Legislature. The governor has until March 3 to amend his Executive Budget proposal to incorporate whatever law changes are needed to implement the resulting recommendations.

NYAHSA is deeply concerned that this will leave the Legislature and affected stakeholders with only a month or so to review and react to these proposals, which could have effects long after the 2011-12 fiscal year has ended. This is why we have asked members to engage in advocacy now on the assumption that large Medicaid reductions are likely to occur in this budget. NYAHSA has been in communication with the Legislature, and shared our cost savings ideas and evaluation of the MRT proposals with key legislators and staff.

Earlier today, we sent each MRT member NYAHSA's analysis and recommendations on the list of proposals, and asked team members to consider our input as they are scoring the various proposals. With the input of our members at large, Cabinets and Board of Directors, NYAHSA developed and shared with the state our package of recommendations that we estimate would save over \$660 million in total Medicaid funds over two years.

Our collective advocacy with the Legislature needs to ramp up considerably in anticipation of the March 1 vote on the MRT recommendations. NYAHSA's work to come up with cost-saving ideas is ongoing. With NYAHSA's first series of recommendations completed, we are now moving forward with a major effort to assemble a package of regulatory reform measures. Once again, member input and guidance will be critical in ensuring that we are putting forth a strong advocacy effort on your behalf.

Please contact me or any of our policy or government relations staff with any questions or concerns.

Regards,

Dan

Daniel J. Heim  
Interim President/CEO