



Redesign Medicaid in New York State



OPWDD Rate Solution

***A True Partnership: State and Health Care
Providers Working Together***



Anatomy of the Partnership

- The state needs to replace the existing, long-standing financing system for developmental disability services.
- Replacing the system will reduce federal Medicaid revenue by \$1.1 billion annually.
- The changes will begin April 1, 2013.
- The state needs a comprehensive solution that ensures that vital services are provided even when the federal funding is lost.



(continued)

Anatomy of the Partnership

- This solution must be balanced and must rely on a partnership with the entire health care community (not just DD providers/members) to assist during this challenging time.
- It is time to get this issue behind us so we can move forward with the MRT waiver amendment and overall Medicaid/Health Care reform.
- This partnership must rely on and build off the continuing success of the MRT.



Partnership - Solving the DD Problem

○ Required State Actions:

- ✓ **MRT is working better than anticipated!** \$200 million in 2012-13 under spending contributes to the solution.
- ✓ Acceleration of MRT initiatives and other reforms/investment delays **(\$180M).**
- ✓ DD provider rate reduction = 6% Across the Board **(\$120M).**
**Eliminates Cost of Living Adjustment (COLA) increases received in 2009-10 and 2010-11.*

○ Additional Federal Revenue/Investments/Savings:

- ✓ Federal revenue from additional emergency Medicaid claiming and other possible efforts **(\$250M).**
- ✓ CMS waiver amendment to invest in comprehensive DD reform in a manner modeled on MRT **(\$250M).**
- ✓ Additional savings produced by the Affordable Care Act (ACA) **(\$100M).**



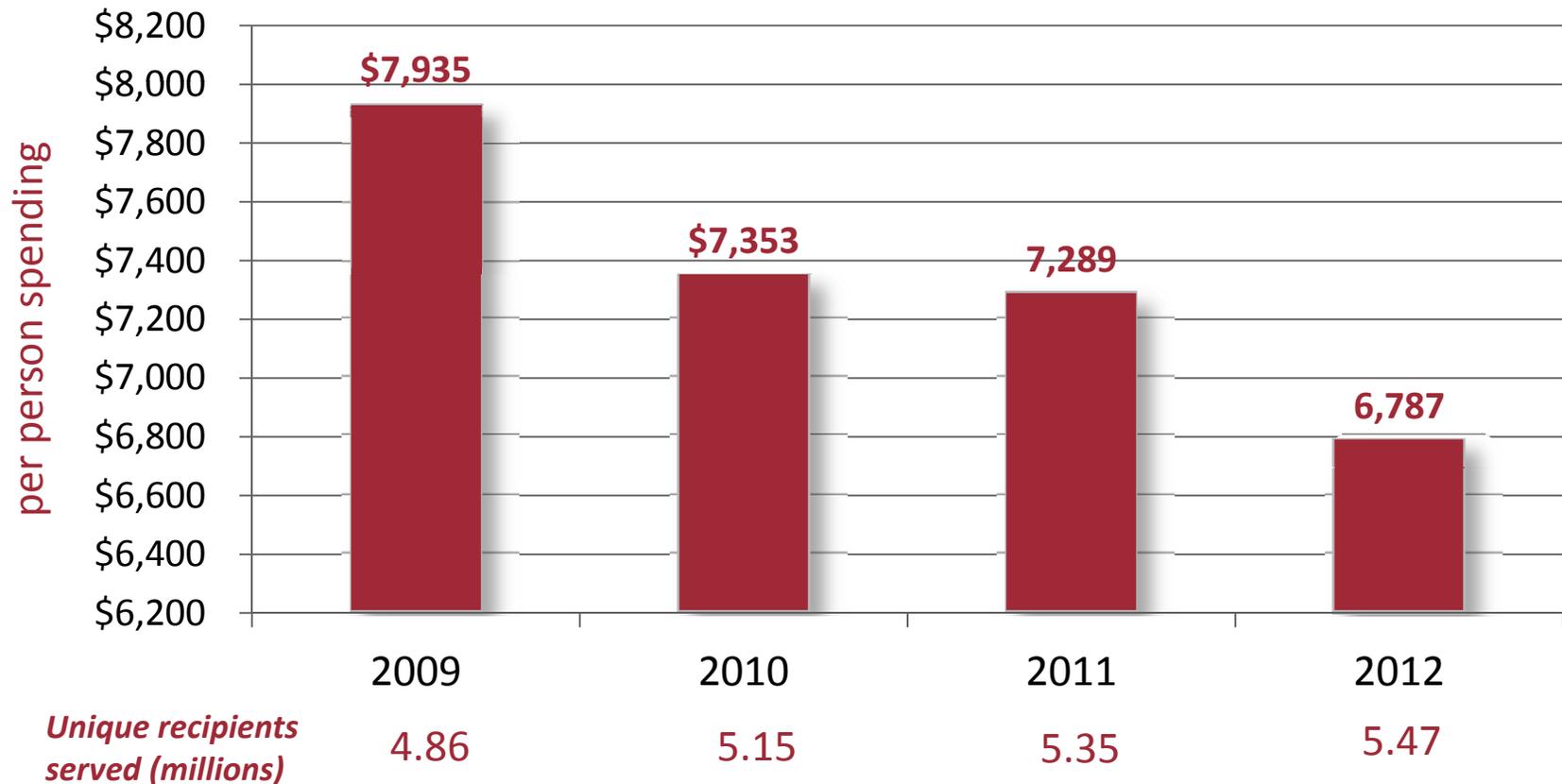
Partnership - Benefits to the Health Care Industry

- Restore 2% provider rate cut (beginning end of 2013-14).
- Most Affordable Care Act (ACA) savings reinvested in health care.



MRT Initiatives Are Bending The Cost Curve

(per person spending is down 8.7% over last 4 years)





Conclusion

- New York is a national model for Medicaid reform.
- Thanks to Governor Cuomo and the MRT savings is exceeding expectations which helps the state address the loss of federal revenue due to replacing the system for financing OPWDD services.
- Additionally, reform of the DD delivery system needs to continue. This reform will be partly financed by a new Medicaid waiver amendment.
- Unfortunately, the challenge caused by the loss of federal revenue does require DD providers to return previously approved COLA's in order to close the remaining gap.
- Now is the time to fix this problem and move on to both comprehensive DD system reform and the MRT waiver.



30-Day Amendments



30-Day Amendments

- Creates Mental Hygiene Stabilization Fund (*supported by Medicaid resources under the Global Cap*).
- Restores 2% ATB cut (starting end of 2013-14).
- Allows the department to delay 2013-14 MRT investments.
- Allows base year updates for hospital displaced residents (*in event of teaching hospital closure*).
- Provides flexibility to adjust Voluntary Inpatient UPL Payments (*for potential additional DSH reductions*).



30-Day Amendments

- Eliminates reference to NYC for additional ALP beds.
- Changes effective date of repeal of FHP buy-in program (*from 1/1/15 to 1/1/14*).
- Various amendments related to ACA.