NEW YORK STATE | Department of Health

2023-24 Executive Budget Briefing and Questions & Answers

New York State Department of Health

Office of Health Insurance Programs

February 2023

Today's Presenters

- **Amir Bassiri**, Medicaid Director
- **Michael Ogborn**, Medicaid Deputy Director and Chief Financial Officer
- **Amanda Lothrop**, Medicaid Chief Operating Officer
- **Danielle Holahan**, Executive Director for the NY State of Health (NYSoH)
- **Sue Montgomery**, Senior Advisor to the Medicaid Director
- **Lisa Sbrana**, Director, Division of Eligibility and Marketplace Integration
- **Trisha Schell-Guy**, Director, Division of Program Development and Management
- **Doug Fish**, Chief Medical Officer, Division of Medical and Dental Directors
- **Kim Leonard**, Deputy Director, Division of Program Development and Management
- **Kate Bliss**, Bureau Director, Division of Program Development and Management
- **Emily Engel**, Bureau Director, Division of Program Development and Management

Agenda

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- Overview of Budget Spending
- FY 2024 Budget Actions
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  - *Nursing Home*
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  - *Essential Plan*
  - *Pharmacy*
- FY 2024 State of State Investments and Other Budget Actions

FY 2024 Executive Budget | Medicaid Scorecard (Page 1)				
(State Share $ in millions)	**Implementation Date**	**Article VII / Admin**	**FY 2024**	**FY 2025**
Global Cap Forecast (Surplus) / Deficit			**$1,225.7**	**$1,390.8**
Signed Legislation (A.9542 / A.299B)			**$6.3**	**$6.7**
Enrollment Update			**$0.0**	**$226.6**
Global Cap Index Update	4/1/23	Admin	**($475.2)**	**($694.0)**
Executive Base (Surplus) / Deficit			**$756.7**	**$930.1**
Budget Actions			**($937.1)**	**($1,345.3)**
Hospital Actions			**$28.9**	**$63.3**
Additional SUNY Disproportionate Share Hospital (DSH) Support	4/1/23	Admin	$71.6	$106.0
Voluntary Hospital Indigent Care Reduction	4/1/23	Legal	($42.7)	($42.7)
Nursing Homes Actions			**$71.5**	**$71.5**
Removal of Nursing Home Staffing Pool	4/1/23	Admin	($93.5)	($93.5)
Increase Nursing Home reimbursement by 5%	4/1/23	Legal	$157.5	$157.5
Increase Assisted Living Program (ALPs) reimbursement by 5%	4/1/23	Legal	$9.0	$9.0
DOH Veterans Homes Investment	4/1/23	Admin	($1.5)	($1.5)
Other Long-Term Care Actions			**($66.8)**	**($248.6)**
Increase Managed Long Term Care Partial (MLTCP) Medical Loss Ratio (MLR) to 89%	4/1/23	Admin	$0.0	($55.0)
Discontinue Managed Long-Term Care (MLTC) Quality Pool Payments	4/1/23	Admin	($51.8)	($51.8)
Discontinue Managed Long-Term Care (MLTC) Distressed Plan Pool	4/1/23	Admin	($15.0)	($15.0)
Managed Long-Term Care Plans (MLTCP) Reforms	10/1/24	Legal	$0.0	($65.0)
Discontinue Consumer Direct Personal Assistance Program (CDPAP) Wage Parity	1/1/25	Legal	$0.0	($123.8)
Ensure CDPAP Workers Have Comprehensive Health Insurance	1/1/25	Legal	$0.0	$61.9
Managed Care Actions			**($265.5)**	**($205.3)**
Increase Mainstream Managed Care (MMC) MLR to 89%	4/1/23	Admin	$0.0	($12.0)
Pay and Resolve	1/1/24	Legal	$7.7	$31.8
Discontinue Mainstream Managed Care (MMC) Quality Pool Payments	4/1/23	Admin	($60.0)	($60.0)
Delay Implementation of Undocumented Coverage Expansion for 65+	1/1/24	Legal	($171.9)	$0.0
Keep Pregnancy Coverage in Essential Plan	1/1/24	Admin	($41.3)	($165.0)
Pharmacy Actions			**($51.2)**	**($247.2)**
Reduced Coverage for Over-The-Counters and Eliminate Co-Pays	10/1/23	Legal	($8.7)	($17.4)
Discontinue Prescriber Prevails	4/1/24	Legal	$0.0	($49.5)
NYRx Transition	4/1/23	Admin	($410.0)	($547.8)
Support for Ryan White Clinics (NYRx Reinvestment)	4/1/23	Admin	$30.0	$30.0
FQHC/DTC Supplemental Payments (NYRx Reinvestment)	4/1/23	Admin	$125.0	$125.0
Increase Hospital reimbursement by 5% (NYRx Reinvestment)	4/1/23	Legal	$212.5	$212.5
Other Actions			**($654.1)**	**($779.0)**
Utilize Available Federal Funding	4/1/23	Admin	($624.1)	($709.0)
Recalibrate the Health Home Program to Improve Care Management for Vulnerable Populations	10/1/23	Admin	($30.0)	($70.0)

FY 2024 Executive Budget | Medicaid Scorecard (Page 2)

(State Share $ in millions)	Implementation Date	Article VII / Admin	FY 2024	FY 2025
State of the State (SOTS) Investments			**$180.4**	**$415.2**
Expand Medicaid Buy-In for those with Disabilities	**1/1/25**	**Legal**	**$0.0**	**$60.0**
Expand Medicaid Coverage of Preventive Care			**$53.6**	**$104.1**
Expand nutritionist coverage to all populations	7/1/23	Legal	$13.5	$18.0
Improve access to smoking cessation medication	1/1/24	Legal	$0.0	($1.1)
Increase in supportive housing funding	10/1/23	Admin	$15.0	$30.0
Increase reimbursement rates for dental services to ensure access for all Medicaid members	7/1/23	Admin	$1.0	$1.4
Increase Medicaid reimbursement for private practice dentists serving the IDD population	7/1/23	Admin	$0.3	$0.4
Increase reimbursement for ambulatory surgery dental services for IDD population	7/1/23	Admin	$4.3	$5.7
Establish Medicaid reimbursement for CDSMP (chronic disease self-management plan) for arthritis management	10/1/23	Legal	$0.1	$0.1
Establish Adverse Childhood Experience screening reimbursement	1/1/24	Admin	$4.8	$19.2
Ensure Medicaid coverage of Preventive Mental Health Services	10/1/23	Admin	$6.0	$12.0
Statewide Medicaid coverage and Higher Reimbursement for Doulas	1/1/24	Admin	$2.3	$8.5
Medicaid coverage of spinal muscular atrophy screening	10/1/23	Admin	$3.7	$6.4
Increased vaccine administration fees to expand access to children	7/1/23	Admin	$2.7	$3.6
Improve Access to Primary Care			**$46.0**	**$104.4**
Benchmarking primary care reimbursement to 80% of Medicare	10/1/23	Admin	$17.7	$35.3
Promote Telehealth through eVisits	10/1/23	Admin	$0.8	$1.6
Ensuring coverage of primary and urgent care in shelter system	1/1/24	Admin	$0.0	($2.4)
Increase reimbursement for School Based Health Centers	4/1/23	Admin	$1.4	$1.4
Establish Medicaid reimbursement for Community Health Workers for more populations (including high-risk populations, maternity, children under 21, etc.)	1/1/24	Legal	$8.7	$34.7
Integrated Licensure Standards	10/1/23	Admin	$16.3	$32.7
Eliminate Hepatitis C by Implementing Universal Hepatitis C (HCV) Screening	4/1/23	Admin	$1.0	$1.0
Reimburse Screening for Congenital Syphilis during the 3rd Trimester	4/1/23	Admin	$0.2	$0.2
Ensure Adequate Medicaid Reimbursement for Transportation Services	**7/1/23**	**Admin**	**$13.7**	**$18.2**
Stabilize and Strengthen New York's Reproductive Health System	**10/1/23**	**Admin**	**$8.3**	**$14.1**
Mental Hygiene SOTS Medicaid Impacts			**$58.9**	**$114.4**
Expand the Comprehensive Psychiatric Emergency Program (CPEP)	10/1/23	Legal	$12.0	$24.0
Expand the Assertive Community Treatment (ACT) Program	10/1/23	Legal	$4.6	$9.2
Expand the Certified Community Behavioral Health Clinic (CCBHC) Program	4/1/23	Legal	$3.5	$16.2
Certified Community Behavioral Health Clinic (CCBHC) Indigent Care Program	4/1/23	Legal	$11.3	$22.5
Health Home Plus Expansion	4/1/23	Legal	$2.5	$2.5
Expand Article 31 Clinic Capacity	7/1/23	Legal	$15.0	$20.0
Increase reimbursement rates for School Based Mental Health Clinics	10/1/23	Legal	$10.0	$20.0
Total Global Cap (Surplus)/Deficit			**$0.0**	**$0.0**
Financial Plan Support of Minimum Wage Inflation Medicaid Impacts	4/1/23	Legal	$2.5	$12.6
Total Financial Plan Support for Minimum Wage Increase (Outside the Global Cap)			**$2.5**	**$12.6**

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Overview of Medicaid Spending under the Executive Budget

- CY 2023 began with approximately 7.8 million individuals enrolled in Medicaid.
- Enrollment is projected to decline in FY 2024 to 6.9 million individuals.
- This is due to the redetermination of eligibility for all Medicaid enrollees (unwind) starting in April 2023 and ending in May 2024.

Summary of Medicaid Spending All Funding Sources

Medicaid Spending ($ in Millions)	FY 2023	FY 2024	Change	
			Dollars	Percent
Total Medicaid*	$98,255	$103,037	$4,782	4.9%
DOH Global Spending Cap**	$26,161	$28,156	$1,995	7.6%

**Includes the Essential Plan.*
***Department of Health (DOH) Medicaid spending not subject to the Global Cap Index includes certain Medicaid spending in other agencies, administrative costs, such as the takeover of local administrative responsibilities, costs related to a portion of the takeover of local government expenses, and costs related to State mandated increases in the minimum wage and other wage enhancements.*

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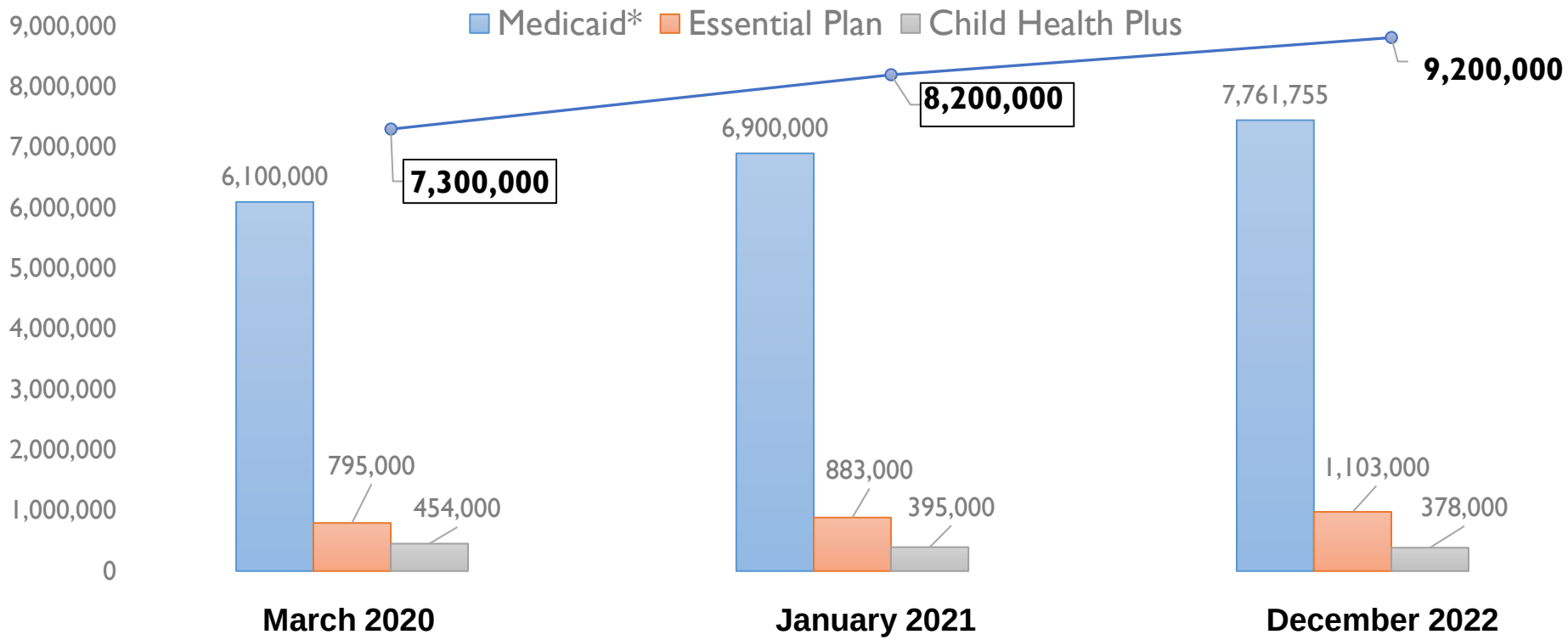
Impact of PHE Provisions on Public Health Insurance

As of December 2022, more than 9 million New Yorkers – approaching 50% of the State's population - are enrolled in Medicaid, Essential Plan, and Child Health Plus



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Global Cap Index Update

- The FY 2023 Enacted Budget implemented a new Global Cap index based on the five-year rolling average of CMS annual projections of health care spending to better account for enrollment, including specific populations, such as the aging and disabled populations.

Medicaid Global Cap Index 5-Year Rolling Average					
($ millions)	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**
DOH Global Cap Index @ Enacted	$21,538	$22,649	$23,875	$25,237	$26,724
Yr to Yr % Change	*4.7%*	*5.2%*	*5.4%*	*5.7%*	*5.9%*
DOH Global Cap Index - Revised	$21,762	$23,124	$24,569	$26,091	$27,478
Yr to Yr % Change	*5.8%*	*6.3%*	*6.3%*	*6.2%*	*5.3%*
Global Cap $ Gain/(Loss)	**$224**	**$475**	**$694**	**$854**	**$754**

- This new inflation metric more accurately reflects the higher costs of providing Medicaid services because it considers utilization, enrollment growth, population changes, and service costs, which are significant drivers of Medicaid spending.
- The FY 2024 Executive Budget updates the Global Cap Index for the five most recent years of the Medicaid annual growth rate using the latest (April 2022) National Health Expenditure Accounts data produced by the Office of the Actuary in CMS from April 2022.

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Budget Actions

Hospital Actions

Additional SUNY Disproportionate Share Hospital (DSH) Support

- Provides additional funding for undercompensated and uncompensated care provided by the three State University of New York (SUNY) teaching hospitals – SUNY Upstate Medical Center, SUNY Downstate Medical Center, and Stony Brook University Hospital – associated with increased Hospital-Specific DSH Caps.

FY 2024 State Impact	FY 2025 State Impact
$71.6M	$106.0M

Voluntary Hospital Indigent Care Pool (ICP) Reduction

- This reduction would only apply to voluntary hospitals whose public payor (Medicare + Medicaid) mix is less than the Statewide Average. Hospitals qualifying as Enhanced Safety Net (ESN) Hospitals under PHL 2807-c will be exempt from this reduction.

FY 2024 State Impact	FY 2025 State Impact
($42.7M)	($42.7M)

5% Trend on Inpatient Acute Rates

- Hospitals will receive a 5% trend to the operating component of their inpatient acute rates, which is estimated at $425M (gross) – roughly equivalent to the aggregate amount hospitals currently receive in 340B pharmacy reimbursement in Managed Care.

FY 2024 State Impact	FY 2025 State Impact
$212.5M	$212.5M

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Nursing Home and Assisted Living Program Actions

Repurpose Nursing Home Staffing Investment and Increase Operating Rates by Five Percent (5%)

- Repurposes Nursing Home Staffing funding to provide increased support through a structural long-term increase to the operating component of NH Medicaid rates.

	FY 2024 State Impact	FY 2025 State Impact
Repurpose Nursing Home Staffing Investment	($93.5M)	($93.5M)
Increase Nursing Home Operating Rates by 5%	$157.5M	$157.5M

Increase Assisted Living Program Operating Rates by Five Percent (5%)

- Provides an increase to the operating component of Medicaid rates consistent with the percentage investment in NH rates.

FY 2024 State Impact	FY 2025 State Impact
$9M	$9M

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Managed Long Term Care (MLTC) Actions

Discontinues the MLTC Quality Pools

- Eliminates dollars associated with Quality Incentive (QI) Pool payment funding for the MLTC program.

FY 2024 State Impact	FY 2025 State Impact
($51.8M)	($51.8M)

Increases MLTC Medical Loss Ratio (MLR)

- Increases MLTC MLR from 86% to 89% to ensure Medicaid funds are spent on enrollee Medical expenses.

FY 2024 State Impact	FY 2025 State Impact
-	($55.0M)

MLTC Reforms

This proposal provides authority for DOH to:

(1) Reform MLTC Partial Capitation (MLTCP) through Performance Standards
(2) Refine the FI authorization process, and
(3) Competitively procure MLTCP plans if deemed necessary by the Commissioner.

These efforts result in a projected cost savings through a reduction in the administrative portion of the managed care premiums. The option to procure the plans will only be utilized if sufficient reform is not achieved under initial program modifications, at a date announced no sooner than October 2024.

Fiscal Year 2024 Impact	Fiscal Year 2025 Impact
-	($65.0M)

MLTC Reforms (Continued)

To participate in MLTCP, plans will be required to meet the following criteria by October 1, 2024:

- Plans must have demonstrated Medicare experience operating a plan with at least 20k MLTCP members *or* 5k NYS MAP *or* DSNP members served in the prior calendar year
- Not categorized as a 'poor performer' by CMS or have an excessive volume of NYS penalties or Statements of Deficiency
- Plans must commit to enhanced network adequacy criteria, including:
  - Plans must commit to only contracting with a minimum number of FIs and LHCSAs to provide the needed Personal Care and CDPAS care for its members
  - Plans must commit to meeting maximum wait time criteria by key category of service per upcoming CMS standards
- Plans must commit to a community reinvestment plan
- Quality improvement
- Accessibility and geographic distribution of providers, considering the needs of persons with disabilities and the rural, suburban, urban settings
- Demonstrate cultural and language competency
- Breadth of offering across multiple regions
- Ability to enroll across the continuum of care
- VBP readiness
- Others

MLTC Reforms (Continued)

- If the procurement option is enacted, the above criteria would carry through into procurement processes and additional preferences would be given to those plans that also offer Medicaid Advantage Plus (MAP) and Integrated Benefit-Duals (IBD) products

- In addition, the Fiscal Intermediary RFO will be discontinued and replaced with a state authorization process to be completed by January 1, 2024. From there, the plans will then contract with authorized FIs ahead of the October 1, 2024 plan certification criteria effective date.

Wage Parity & CDPAP Health Insurance Program

This proposal eliminates the wage parity funding for CDPAS workers and provides supplemental subsidies to ACA tax credits to ensure comprehensive health insurance benefits for CDPAP workers at low or no cost to the worker. Specifically, the proposal:

- Removes the $4.09 per hour in NYC and the $3.22 per hour in Nassau, Suffolk and Westchester currently allocated for wage parity
- Replaces it with supplemental subsidies to ACA tax credits to ensure comprehensive health insurance coverage for CDPAP workers who are not otherwise eligible for the Essential Plan or other public programs to receive comprehensive health benefits at low or no cost to the worker.
- The implementation date for this transition is 1/1/25

Discontinue Wage Parity Funding	-	($123.8M)
Establish Comprehensive Health Insurance Fund for CDPAP workers	-	$61.9M

Managed Care – MLR and Quality Pools

Discontinues the MMC Quality Pools

- Eliminates dollars associated with Quality Incentive (QI) Pool payment funding for the MMC program.

FY 2024 State Impact	FY 2025 State Impact
($60.0M)	($60.0M)

Increases MMC Medical Loss Ratio (MLR)

- Increases MMC MLR from 86% to 89% to ensure Medicaid funds are spent on enrollee Medical expenses.

FY 2024 State Impact	FY 2025 State Impact
-	($12.0M)

Managed Care – Pay & Resolve

- Revises insurance law to prohibit medical necessity denials prior to the payment of claims for ED admissions and downstream IP services. The Bill applies only to fully insured commercial plans, Medicaid managed care plans, EP and CHP (not self-insured or union benefit plans) and their in-network hospitals. Key provisions include:
  - Plans are required to pay the claim at the contracted rate for the service set forth in the claim before seeking to deny claims for ED admissions and following IP services on the basis of lack of "medical necessity." A Plan may request clinical documentation on any claim it believes was inappropriately billed based on a lack of medical necessity.
  - A joint committee of clinical professionals from the plan and the hospital will review contested claims. If the joint committee cannot resolve the disagreement, then an independent third-party reviewer will make a final and binding decision regarding whether payment of the claim should be denied.

FY 2024 State Impact	FY 2025 State Impact
$7.7M	$31.8M

Delay Implementation of Undocumented 65+ Coverage in Medicaid

- The implementation of this eligibility expansion requires extensive system and operational modifications to establish a new population within each of the three existing Medicaid eligibility systems.

- Given competing resources with other eligibility expansions authorized in the FY 23 Enacted Budget – non-MAGI to 138% FPL, Post-Partum Coverage Expansion, MSP Expansion – that are critical to mitigating the potential loss of coverage during the continuous coverage unwind the implementation of comprehensive coverage for undocumented New Yorkers 65+ is being delayed until 1/1/24.

- This eligibility expansion would compromise the continuity of coverage for the existing Medicaid population during the unwind period where the Department will be redetermining eligibility for over 8 million New Yorkers from April 2023 through May 2024.

FY 2024 State Impact	FY 2025 State Impact
($171.9M)	-

Essential Plan

Essential Plan Expansion Waiver

- SFY 23 Enacted Budget authorized the state to pursue a Section 1332 "State Innovation" waiver to expand Essential Plan eligibility levels from 200 to 250 percent of the federal poverty level
- SFY 24 Executive Budget revises the language to clarify the authority for the EP eligibility expansion
- Projected impact to consumers:
  - **Current Essential Plan Consumers** - No changes for current members.
  - **Consumers Between 201 – 250% of FPL**
    - Currently, these consumers are eligible to buy Qualified Health Plans on the Exchange. They are eligible for Premium Tax Credits to offset premium costs; however, these plans have significant deductibles and large out-of-pocket maximums ($1,625 - $6,100+).
    - Expected average annual savings of $3,400 - $8,900. The average annual savings is $4,183.
  - **Current and New Consumers**
    - Expected to benefit from a series of program improvements, including Social Determinants of Health interventions, further reductions in cost sharing, and expanded access to services.

FY 2024 State Impact	FY 2025 State Impact
-	-

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Keeping Pregnant Individuals In Essential Plan

Allow Individuals to Stay Enrolled in EP Upon Pregnancy:

- Subject to federal approval:
  - Provides individuals the option to stay enrolled in EP when they become pregnant instead of moving to Medicaid, and aligns EP maternity and postpartum benefits with Medicaid;
  - Provides pregnant individuals in the EP 12-months postpartum coverage following their pregnancy;

- This option would be permissible under the EP 1332 waiver authority

FY 2024 State Impact	FY 2025 State Impact
($41.3M)	($165M)

Other EP Investments

To make healthcare coverage more affordable, accessible, to promote health equity, and to lower cost of living for New Yorkers, Governor Hochul will explore several changes to improve the Essential Plan, including:

- Reducing consumer cost sharing
- Expanding access by increasing reimbursement rates for healthcare providers, including hospital and physician services, to align across EP Tiers
- Expanding funding to encourage health plans to broaden their coverage of mental health and social services
- Investing in Social Determinants of Health
- Requiring plans to spend a higher percentage of their revenue on patient care

Pharmacy Actions

Reduced Coverage for Over-The-Counters and Eliminate Co-Pays

- This proposal will allow coverage modifications to certain over-the-counter (OTC) medications to align New York OTC coverage closer to other states.
- Clinically critical products (e.g., vitamins and minerals used for deficiencies and aspirin) would continue to be covered, as would less expensive, clinically comparable OTC products that are in Preferred Drug Program (PDP).
- Co-Pays will be eliminated for the OTC's remaining covered under this proposal.

FY 2024 State Impact	FY 2025 State Impact
($8.7M)	**($17.4M)**

Eliminate Prescriber Prevails

- Discontinues the prescriber prevails provision which requires the Medicaid program to approve a prior authorization of a prescription drug regardless of whether clinical criteria is met.

- This proposal would:
  - Ensure drugs are prescribed only when medically necessary and used for FDA labeled or compendia supported indications; and
  - Promote clinically effective and medically appropriate drug utilization.

FY 2024 State Impact	FY 2025 State Impact
-	($49.5M)

NYRx Transition and Reinvestments

- The Pharmacy Transition is projected to save $410M and $547M in State share Medicaid savings for FY24 and FY25, respectively.
- The Budget proposes a significant annual reinvestment of the savings generated through the transition directly to 340B eligible providers, including Ryan White Clinics, Federal Qualified Health Centers, and hospitals to ensure that safety net providers are made ‘whole’ from the changes in 340B reimbursement post-transition.
- Specifically, the reinvestments include:
  - 5% Inpatient Trend Increase for Hospitals – $212.5M State / $425M Gross
  - Supplemental Payments for FQHCs/DTCs – $125M State / $250M Gross
  - State Only Funding Allocation for Ryan White Clinics – $30M State

NYRx Reinvestments – 5% Inpatient Trend

	340B - Pharmacy				FY24 Budget Scorecard
	Claims	Total MCO Paid (Gross)*	340B Margin (Assumes No Admin)*	% of Total 340B Spend	5% Inpatient Hospital Trend (Gross)
Health Systems & Hospitals	**571,590**	**$ 464M**	**$232M**	**51%**	**$ 425M**

**Includes the Drug Acquisition Cost (i.e., Not the Net Margin to the Provider) -- Net Margin can be assumed as 50% of the gross amount paid, which is conservative as most covered entities incur administration costs associated with operating a 340B program, including TPA Fees, Dispensing Fees and other intermediary fees - all of which reduce the net 340B margin*

- Hospitals will receive a 5% trend to the operating component of their rate which is estimated at $425M (gross) – roughly equivalent to the amount hospitals currently receive in 340B pharmacy reimbursement in Managed Care.
  - *This is in addition to the provider reimbursement investments being made in the Essential Plan, which will primarily support hospital providers*
- Hospitals will also continue to receive 340B margin on medical 340B claims, which will remain in Managed Care and has grown year over year since 2019.
- More importantly, the hospitals/health systems benefiting the most from 340B revenue are those with less government payor mix, meaning they can offset any 340B Medicaid losses through 340B claims from other payors (Medicare, Commercial, EP) – the 5% inpatient increase ensures that hospitals with high Medicaid volumes receive most of the benefit and redistributes the 340B funding equitably as Medicaid is the payor of last resort.

FY 2024 State Impact	FY 2025 State Impact
$212.5M	**$212.5M**

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NYRx Reinvestments – Supplemental (Wrap) Payment Program for FQHC/DTCs

- Provide 340B eligible FQHCs and Diagnostic and Treatment Centers (DTCs) with quarterly supplement (wrap) payments under State Plan Amendment (SPA) using the following methodology:
  - Annual 340B gross revenue for each eligible clinic is calculated through an attribution methodology that assigns each distinct member with a 340B claim to each clinic based on the number of outpatient visits that distinct member had with the clinic during FY22. Subsequently, each distinct member's 340B spend during FY22 is assigned to their attributed clinic to determine the annual gross 340B revenue for each eligible provider.
  - Total 340B spend for each eligible clinic (historical annual 340B gross revenue) is then built into a rate add-on by taking the historical lost revenue divided by visits and aggregating into a quarterly amount that will be paid lump sum.

- This approach eliminates potential loss in 340B and guarantees that providers are made whole as the acquisition cost for the drug (340B cost to the provider) is assumed in the methodology for reimbursement. DOH is assuming the entirety of the Managed Care reimbursement would be paid directly to the 340B entity after the transition without the 340B providing having to incur administrative costs from running a 340B program.

FY 2024 State Impact	FY 2025 State Impact
$125M	**$125M**

NYRx Reinvestments – Ryan White Clinics

- Creating a new appropriation to establish the Ryan White Stabilization Fund, to be administered by the AIDS Institute for the distribution of $30 million dollars annually.
- Ryan White providers are federally designated by the Health Resources and Services Administration (HRSA) and provide essential support services with a focus on persons living with HIV/AIDS
- Provides direct support to Ryan White providers that are:
  - Not enrolled as a Medicaid provider; and
  - Are registered and participating in the 340B program in FY22
- Funding distribution will be administered by the AIDS Institute directly to the Ryan White clinics

FY 2024 State Impact	FY 2025 State Impact
$30M	**$30M**

State of the State Investments and Other Budget Actions

February 2023

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Expand Medicaid Buy-In for Working People with Disabilities (MBI-WPD)

- This proposal would expand the Medicaid Buy-In for Working People with Disabilities (MBI-WPD) program through the submission of an 1115 waiver with a cap on total program enrollment at 30,000 individuals effective January 2025.

- Under the waiver program, MBI-WPD would have expanded income and resource limits, remove the age limit of 65, and exempt income from household members, including responsible relatives, when determining the disabled applicant's income eligibility level.

- The proposal would also incorporate premiums on a sliding income scale starting at 250% of the Federal Poverty Level (FPL) after accounting for budgeting disregards. Premiums are modeled after the Massachusetts Buy-In Program

FY 2024 State Impact	FY 2025 State Impact
-	$60M

Expand MBI-WPD (Continued)

	Monthly Income Limit*			Asset Limit		
NY Medicaid	**Individual**	**Couple**	**Income Limit as % FPL**	**Individual**	**Couple**	**Monthly Income When Premiums Start**
Current	$3,038	$4,109	250%	$30,182	$40,821	No premium
Budget Proposal (1115 Waiver)	$50,962	$68,652	2,250%	$300,000	Excludes Spouse	250%

**Income limits are based on SSI-related budgeting. Since 50% of earned income is disregarded, the current income limit after disregards is 500%. The income limit under the waiver after disregards will be 4,500%.*

- The waiver program will increase the income limit for eligibility from 250% of the FPL to 2,250% of the FPL (with the SSI-related disregard of 50% of earned income this would allow individuals with annual income of $611,550 for an individual to be eligible for the program). The resource test will maintain current disregards and increase to $300,000 (as noted above).

- The waiver program will also remove the age limit, currently set at 65 years old, and exempt income from household members, including responsible relatives, when determining the disabled applicant's income eligibility level.

Expanded Coverage of Preventive Care

Expand Medicaid Coverage of Nutritionist Services – $13.5M FY24; $18M FY25

- Expands on coverage established in the SFY 22-23 budget for the prenatal and postpartum population by expanding coverage of services provided by Certified Dietician/Nutritionists to all Medicaid members for whom the service is medically necessary

Improve Access to Smoking Cessation Medication – $0M FY24; ($1.1M FY25)

- Authorizes pharmacists to prescribe all FDA- approved tobacco cessation aids, including over the counter and prescription smoking cessation products effective January 2024.

Establish Medicaid Reimbursement for Chronic Disease Self-Management (CDSMP) for Arthritis – $0.1M in FY24; $0.1M in FY25

- Allow Medicaid coverage of the CDSMP workshop to be offered as a substitute for prolonged inpatient hospitalizations, emergency department visits, and other medical care needed for the management of arthritis

Medicaid Coverage of Spinal Muscular Atrophy (SMA) Screening – $3.4M in FY24; $6.7M in FY25

- Expand coverage of screening for SMA, a genetic disorder that affects the nerves of the spine with the potential to cause severe disability and death, to include all Medicaid members who are planning to become pregnant and those who are currently pregnant.

Ensure Medicaid Coverage of Preventive Mental Health Services – $6.0M in FY24; $12.0M in FY25

- This proposal expands on investment made in the FY 2023 budget to ensure access to preventive mental health services for families with young children. Medicaid FFS will permit ICD-10 code Z65.9 (problem related to unspecified psychosocial circumstances) to establish medical necessity for Medicaid members for psychotherapy services provided by qualified Medicaid-enrolled providers.

Recalibrate the Health Home Program to Improve Care Management for Vulnerable Populations

- Data show that the vast majority Health Home members receiving services at the HH CM *low*-rate code (1873), and the high risk/high need *medium* rate code (1874) have been enrolled for over 12 months.
- Typical Health Home services for individuals in both the "low" and "medium" rate codes are limited to 1-2 phone contacts per month directly with the member.
- This proposal shifts the HHSA program from a sustained coordination model toward a time-limited, recovery-oriented model and connects disenrolled members to other low threshold services including community health workers.
  - Recovery-oriented model: Build on the strengths and resiliency of members through 9 months of skill development and connectivity to community services; empower individuals to address a wide range of health and social care needs with support of lower-touch care management programs.

Recalibrate the Health Home Program to Improve Care Management for Vulnerable Populations

Graduation of low- and medium- acuity members will allow Health Homes to focus resources on services and supports for the most vulnerable enrollees.

Enrollment Periods:

- *HH CM "low acuity" rate code (1873)*
  - Members who are consistently billed for at the "*low*" rate bucket will be graduated after 9 months **
- *High Risk/High Need "medium acuity" rate code (1874)*
  - Members who are consistently billed for at the "*medium*" rate code for 9 months will be stepped down to the low acuity rate code for 3 months before being graduated.**

*** triggering events which justified extending enrollment will be identified*

FY 2024 State Impact	FY 2025 State Impact
($30.0M)	**($70.0M)**

NEW YORK STATE | Department of Health

Expanding Integration of Physical and Behavioral Health

Increase access to services by:

- **Expanding existing licensure thresholds to 30%** DOH Article 28 D&TCs, OMH Article 31 Clinics and OASAS Article 32 Clinics and Opioid Treatment Programs to provide up to 30% physical health, mental health or substance use disorder services without obtaining a license from the regulating agency
- **Reconstituting an integrated licensure workgroup** to consider regulatory amendments to the IOS regulations to expand integration opportunities and facilitate continuation of the DSRIP models that will expire in 2025.
- **Expanding Medicaid reimbursement** for services provided by mental health professionals in DOH Article 28 D&TC settings (community health centers) permitting licensed mental health professionals to deliver direct care services to all populations.

FY 2024 State Impact	FY 2025 State Impact
$16.3M	$32.7M

Mental Hygiene SOTS Medicaid Impacts

Expand the Comprehensive Psychiatric Emergency Program (CPEP) – $12M FY24; $24M FY25

CPEPs provide critical crisis mental health service and are essential to ensuring individuals with intensive psychiatric needs are properly evaluated and referred to the appropriate level of care. This proposal adds 12 CPEPs operated in Article 28 Hospitals thereby increasing the total from 22 to 34.

Expand the Assertive Treatment (ACT) Program– $4.6M FY24; $9.2M FY25

ACT programs are outpatient services delivered by muti-disciplinary teams of mental health practitioners that provide mobile, high intensity services to some of the most at-risk New Yorkers suffering from SMI. This proposal adds 42 new ACT teams and expands the total number of ACT programs statewide to 186.

Expand the Certified Community Behavioral Health Clinics (CCBHC)– $3.5 FY24; $16.2M FY25

CCBHCs provide walk-in, immediate integrated mental health and substance use disorder services for New Yorkers of all ages. This proposal will triple the number of Certified Community Behavioral Health Clinics in New York State over 2 years from 13 to 39, which is expected to serve approximately 200,000 New Yorkers.

Expand the Health Home Plus Program– $2.5 FY24; $2.5M FY25

The HH Plus program provides intensive care management for individuals with serious mental illness (SMI) who have the most significant and complex behavioral health needs. This proposal expands HH Plus capacity by supporting Specialty CMAs to engage and enroll HH Plus eligible individuals

Expand Article 31 Clinic Capacity– $15 FY24; $20M FY25

Article 31 outpatient clinics are the foundation of a mental health system necessary to support ongoing care for individuals with mild to moderate mental illness. This proposal adds 20 new clinics across NY

Increase Rates for School Based Mental Health Clinics– $10 FY24; $20M FY25

Establish Medicaid Reimbursement for Adverse Childhood Experience Screening

- Adverse childhood experiences (ACEs) are associated with poorer health outcomes, health risk behaviors, and socioeconomic challenges, including obesity, heavy drinking, COPD and depression across the lifespan.
- This proposal would allow Medicaid providers to bill for ACEs screening once per year for children and adolescents under 21 at a rate of $29 per screening.
- Providers would be expected to make referrals to appropriate resources for any needs identified as a result of the screening.

FY 2024 State Impact	FY 2025 State Impact
$4.8M	$19.2M

Expand Access to Dental Services for Children and Individuals with IDD

- Establish distinct Medicaid reimbursement for Oral Sedation and Nitrous Oxide separate from an office visit for Children and Individuals with IDD
- Establish a 20% rate enhancement for privately practicing dentists who serve Individuals with Intellectual and Developmental Disabilities (IDD)
- Increase the billable limits for Ambulatory Surgery Centers for oral surgery for Individuals with IDD from 1 unit to 4

Initiative	FY 2024 State Impact	FY 2025 State Impact
Separate Reimbursement for Sedation	$1.0M	$1.4M
Private Practice Rate Enhancement for IDD	$0.3M	$0.4M
Ambulatory Surgery for IDD	$4.3M	$5.7M

Increase Vaccine Administration Fees for Childhood Vaccinations

- Increases the fee paid for administration of vaccinations provided to the pediatric Medicaid population from $17.85 to $25.10.

- An increase in the Medicaid childhood vaccination administration rate is needed to preserve capacity and adequately resource providers to continue efforts to bring all children enrolled in Medicaid up to date with the Centers for Disease Control and Prevention (CDC) Advisory Committee on Immunization Practices (ACIP) recommended schedule, which has been disrupted during the pandemic.

FY 2024 State Impact	FY 2025 State Impact
$2.7M	$3.6M

End Preventable Epidemics

Eliminating Hepatitis C Virus (HCV) by Implementing Universal Screening – $1.0M in FY24; $1.0M in FY25

- Adds the provision of a one-time HCV screening test for all individuals younger than 18 if there is evidence of risk.
- Requires an HCV screening test for all pregnant people during each pregnancy, which has been endorsed by American College of Obstetrics and Gynecology.
- Ensures that when the HCV screening test is reactive, an HCV RNA (viral load) test is performed to confirm diagnosis of current infection.

Reimburse Screening for Congenital Syphilis during the Third Trimester of Pregnancy – $0.2M in FY24; $ 0.2M in FY25

- All pregnant persons to receive syphilis screening (blood test) at 28 weeks of pregnancy, or as soon thereafter as reasonably possible, but no later than at 32 weeks of pregnancy.

Increase Funding for Supportive Housing

- Supportive Housing has been serving vulnerable homeless Medicaid members and those transitioning from an institutional setting since 2015 and funding has remained flat. This increase will also support the NYHER 1115 Waiver efforts.
- The programs successfully target high utilizers of Medicaid that need housing as a health-related social intervention in order to stabilize their health.
- Through strategic prioritization, the top decile of enrollees had average Medicaid savings of $45,600 per person per year.
- Those transitioning from a skilled nursing facility have an average Medicaid savings of $67,255 in the first year in supportive housing and $90,239 the following year.

FY 2024 State Impact	FY 2025 State Impact
$15.0M	$30.0M

Expand Coverage of Community Health Worker Services

- A Community Health Worker (CHW) is a public health worker that reflects the community served and functions as a liaison between healthcare systems, social services, and community-based organizations to improve health outcomes of the population served.
- CHW services include health advocacy, health education, and system navigation
- Expands on coverage established in the SFY 22-23 budget for the prenatal and postpartum population to children and adults with health-related social care needs
- Coverage will also be expanded to non-clinical services related to violence intervention programs

FY 2024 State Impact	FY 2025 State Impact
$8.7M	$34.7M

Benchmarking primary care reimbursement to 80% of Medicare

- This proposal, effective 10/1/23, invests in primary care services by benchmarking Medicaid fee-for-service reimbursement rates to 80% of current Medicare reimbursement rates.
- Incentivizes primary care providers to see more Medicaid enrollees and improve access to primary care.
- This will impact the Physician (Medicine, Drug, Surgery, and Radiology) Fee Schedules, and benchmarks Nurse Practitioners to 95% of the newly established physician fees.
- The Physician-Medicine Fee Schedule was benchmarked to 70% of Medicare in FY 2023.

FY 2024 State Impact	FY 2025 State Impact
$17.7M	$35.3M

Promote Telehealth Through EVisits

- Aligning with NYS Medicaid's goal to increase access to services via telehealth, this proposal, effective 10/1/23, allows Medicaid providers to bill for EVisits, increasing access to care and reducing the need for office visits when a condition can be resolved via online discussion.
- EVisits are digital, patient-initiated interactions between a patient and a provider that can resolve non-urgent conditions using an online portal or other electronic modality.
- EVisits are currently covered by several insurers, including Medicare. Medicaid reimbursement for EVisits would be benchmarked to 80% of Medicare's fees.

FY 2024 State Impact	FY 2025 State Impact
$0.8M	$1.6M

Ensure Adequate Medicaid Reimbursement for Transportation Services

- This investment, effective July 2023, targets more complex emergency ambulance transports and considers the important cost of emergency readiness when paying for transports
- Medicaid will assign emergency ambulance fees using Relative Value Units (a process like Medicare's). Assigned RVUs will be as follows:

Code	Description	RVUs
A0428	Basic Life Support, Non-emergency (BLS)	1.00 (fee will not change)
A0429	BLS- Emergency	1.28
A0427	Advanced Life Support, emergency, Level 1 (ALS1- Emergency)	1.52
A0433	ALS-Level 2 - emergency	2.20
A0434	Specialty Care Transport (SCT)	2.60

- Creates workgroup with Department of Financial Services (DFS) to review the increasing cost of insuring NEMT vehicles

FY 2024 State Impact	FY 2025 State Impact
$13.7M	$18.2M

NEW YORK STATE | Department of Health

Other Investments to Expand Access to Primary Care

Ensuring Coverage of Primary and Urgent Care in the Shelter System - $0 in FY24; ($2.4M) in FY25

- This proposal would require Medicaid Managed Care Plans to cover services provided by designated providers serving homeless individuals, without referral or prior approval by the plan and regardless of the member's assigned primary care provider.
- This proposal assumes that approximately one-third of 41,326 Medicaid members experiencing homelessness will access this service at a cost of $70.06 per visit. These services are expected to reduce the need for emergency department visits, resulting in overall savings.

Increase Reimbursement for School Based Health Centers - $1.4M in FY24; $1.4M in FY25

- SBHCs are a critical source of primary care, urgent medical care, and dental care for school-age children. This proposal increases Medicaid reimbursement rates for services provided by School Based Health Centers by 10% to support the viability of these health centers.

Statewide Medicaid Coverage, Higher Reimbursement for Doulas

- Medicaid coverage for doula services will be expanded to all pregnant, birthing, and postpartum Medicaid-enrolled individuals through 12-months postpartum.
- A State Plan Amendment will be submitted to add doulas as Medicaid providers and to include reimbursement for doula services up to $1500 per pregnancy.
- The covered doulas services will include and expand upon services covered in the Medicaid Doulas Services Pilot in Erie County: eight perinatal (prenatal and postpartum periods) visits, one labor and delivery support visit, and an additional fee paid to doulas to accompany Medicaid client to one visit within the recommended timeframe for follow-up for postpartum care.

FY 2024 State Impact	FY 2025 State Impact
$2.3M	$8.5M

Stabilize and Strengthen New York's Reproductive Health System

To maintain timely and equitable access to abortion and family planning services, ensure New York remains a safe harbor for access to reproductive health and abortion services, and make contraceptive care more accessible by allowing pharmacists to prescribe, we are making the following investments:

1. Increase FFS rates for surgical abortion procedures (minimum of $1000 for earlier term procedures and $1300 for later term procedures); require MMC plans to pay FFS rates, at minimum

2. Increase Family Planning (Contraceptive Care) rates by 30% (with 90% FFP); require MMC plans to pay FFS rates

3. Expand the scope of pharmacy practice by authorizing pharmacists to prescribe contraception

FY 2024 State Impact	FY 2025 State Impact
$8.3M	$14.1M

Resources

Website:
https://www.health.ny.gov/health_care/medicaid/redesign/mrt_budget.htm
MRT Budget Information.

Email: mrtupdates@health.ny.gov

DOH Medicaid Update:
https://www.health.ny.gov/health_care/medicaid/program/update/main.htm

MRT LISTSERV:
https://health.ny.gov/health_care/medicaid/redesign/listserv.htm

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Questions?

Please submit your question to All Panelists using the Q&A feature of the WebEx Event meeting.