

Questions Log

Q: What percentage of the global cap is consumed by Managed Care premiums? What is that percentage expected to be next year? How does that effect the superpowers and what impact does it have on providers and potential cuts they would face if payments to Managed Care plans exceed the global cap?

A: Medicaid Managed Care accounts for approximately 75% of the Medicaid Global Spending Cap, \$12.8 billion of the \$17 billion budget.

The Department of Health has flexibility when developing a plan of action to if it appears spending will exceed the Global Cap, referred to as the Medicaid Savings Allocation plan. The Medicaid Savings Allocation plan can include utilization controls, and if necessary rate reductions. There will be no changes to eligibility or access. By monitoring spending, the Department can identify sectors, including HMOs, responsible for exceeding the cap and make programmatically sound reductions as needed. Proper notification to the industry and Legislature will occur prior to any corrective action. Plans will be posted to the Department of Health website and written copies will be provided to the Legislature at least 30 days prior to implementation.

Q: 340B \$10.9 million reduction: What is the 340B program and what is the reason for the cut?

A: Hospitals and clinics that are 340B entities purchase practitioner administered drugs such as injectables, at a reduced cost from drug manufacturers. Since the drug manufacturer is providing the drug at a reduced cost, the State Medicaid program is prohibited from also collecting manufacturer rebates. In the Medicaid fee-for-service program, providers are paid actual acquisition cost for 340B drugs. However, when these same drugs are provided to recipients in Medicaid Managed Care, the providers are not currently required to bill the Managed Care plans at their acquisition cost. This initiative will standardize billing policy across the program so that the 340B price is also “passed through” to Medicaid for Managed Care claims.

Q: What portion of the savings in the ROI with regard to Mental Health Spending. Reinvestments and Housing of the MH Consumer from Homelessness. What is going to programs with respect to Integration of Physical Health and Behavioral Health in Mental Health Spending? What is the annual budget for the Mental Health please have a breakdown in each county and or what program.

A: The 2014-15 Enacted Budget included Article VII legislation that requires reinvestment of savings under:

- Medicaid fee for service for behavioral health inpatient programs that may close, or have already closed, to ensure that capacity is preserved in the impacted communities as the State prepares for the transition to Managed Care.
A total of \$13 million in reinvestment associated with the closure of Article 28 and 31 inpatient psychiatric services have been reinvested to develop alternative community based services in the impacted counties with an emphasis on crisis and diversion services.

- Medicaid Managed Care for any behavioral health savings for inpatient and other reductions to expand community based services under HARPs/Managed Care including the development of home and community waiver services. The implementation of the HARPs is scheduled for July 1, 2015.

The 2014-15 Enacted Budget includes \$15 million for Integration of Physical Health and Behavioral Health including the pilot for integrated licensing and the implementation of collaborative care.

The Office of Mental Health website includes a County Profiles Portal which includes Medicaid data by county. Introduced in 2010, the portal makes the Office of Mental Health data available to County planners to help them identify mental health service gaps and disparities and use data to improve the quality of service delivery.

<http://bi.omh.ny.gov/cmhp/index#index>

Q: Medicaid FFS reimbursement will be downed to AWP -24% for pharmacy. That's below cost! Where does the survey come from? If approved this will lead to managed care and commercial insurance as well. How will this impact access to medicine??

A: This reduction correlates AWP to pharmacy acquisition cost and the median dispensing fee, per surveys that were conducted by the Department of Health. The reduction will not affect MCOs and commercial insurance. We don't anticipate access issues, but will monitor closely.

Q: How do you go about getting the assistance with the old Accounts Receivable?

A: We have undergone an aggressive initiative to collect all old outstanding liabilities within two years. This aggressive approach is necessary so that it does not compromise the Medicaid Global Spending Cap. In addition, as more Medicaid patients move to Managed Care plans, our ability to recoup these liabilities through the normal process of Medicaid cycle payments will diminish and as such, further increase the length of time for the state to be repaid. Inquiries to discuss your payment options can be sent to bimamail@health.ny.gov.

Q: What does volatility in MCO billing mean?

A: This was mentioned in context of cycle variability. It appears plans have been billing their rosters at varying percentages throughout the month (i.e. 80% in week 1; 20% in week 2). Due to the considerable size of Managed Care spending under the Global Cap, this is something we need to watch as we come down to the final cycles of the State Fiscal Year.

Q: Can you please clarify if the new Quality Pool is \$50 million all-funds, with the other \$50 million restoring paying for the restoration of PPNO cut, etc.?

A: Yes. These are separate proposals which are part of the Hospital Investments/Restorations. The actions/values which make up this recommendation and total \$185 million Gross (\$100 million State) in SFY 2015-16 are as follows:

- Establish Quality Pool -- \$90.8 million Gross/\$45.4 million State
- Invest in Essential Community Providers (i.e. Sole Community) -- \$9.0 million Gross/\$4.5 million State

- Eliminate PPNO Reduction -- \$51.0 million Gross/\$25.5 million State
- Eliminate ATB on Elective Deliveries -- \$19.2 million Gross/\$9.6 million State
- Reduce HCRA Obstetrics Tax -- \$15 million Gross/\$15 million State

Q: Will all nursing homes be able to access the advanced training initiative funding, and could you please provide greater details regarding the initiative?

A: With the primary goal being the reduction of avoidable hospital admissions, this initiative incentivizes a training program aimed at early detection of patient decline. This initiative would be open to all nursing homes in New York State who must first meet a direct care staff retention standard and then follow an approved training program to be developed in cooperation between nursing home providers and union representatives. The Department of Health would have final approval of the training plan. Specific performance measures would be developed and monitored by the department. Available funding in the proposed amount of \$46 million dollars would be proportionally distributed to qualifying nursing facilities according to each facilities relative volume of Medicaid days. Under this proposal hospital based nursing homes and free standing nursing homes already receiving Vital Access Provider payments would not be eligible for an award.

Q: Can you address what is included in the Managed Long Term Care Technology demonstration (\$1 million for each 2016 and 2017)?

A: Emerging home based technologies provide enormous opportunities to decrease safety risks in the home, increase enrollee independence, promote ability to remain in the community and avoid unnecessary institutionalization. Through the demonstration, providers will propose the use of technologies not previously covered by Medicaid for Managed Long Term Care enrollees who qualify for a Nursing Home Level of Care (NHLOC). The appropriation will be used for the purchase, lease, or rental of certain emerging technologies. A limited portion of the appropriation will be designated for certain administrative costs to oversee the use of technology, and to collect data required by the Department to assess technology outcomes. The demonstration will provide the Department with a baseline for future policy direction relating to the use of new technologies to support consumer's independence in the community.