HEALTH CARE TRANSFORMATION UPDATE – THE LATEST FROM ALBANY & BEYOND

Presentation to Finger Lakes Health Systems Agency: Clinicians
July 11, 2016
Carolyn Kerr, Neil Benjamin, Jim Clancy – Brown & Weinraub, PLLC
Agenda

- Political Overview
- Budget Recap
- Legislative Session Recap
- Health Care Reform Update: The MRT Final Report 5 Years Later, including
  - Care Management for All: Managed Care Update
  - Health Homes
  - SHIN-NY/RHIOs/APD
  - CPC, APC, PTN
  - Workforce
- DSRIP & VBP
- Market Consolidation
- Transformation Initiatives: Interplay with and Impact of Federal Programs
- Looking forward
Political Overview

- Election year
  - New leadership in both houses
  - Election year
  - Senate

- Outside influences

- NYC
SFY 16-17 Budget Recap: Generally

- Generally flat appropriations
- Medicaid
  - Budget has built in growth under a cap
  - Carries through on Medicaid Redesign Team and other reform commitments
- Notable reappropriations: $300M upstate hospitals/$700M downstate hospitals
PHIP and FLHSA Funding

- Federal Match Issue and Proposed Budget
  - **SFY 15-16 Funding**
    - Out of Medicaid Budget
      - $13.5M (over 2 years) for PHIPs
      - $2.5M (over 2 years) for FLHSA to provide technical assistance to PHIPs
    - $209K line item funding (both SFYs) for FLHSA
  - Issue: Federal match
  - **SFY 16-17 Funding**

- PHIP Roll-out/Status of program

- Atmospherics related to regional health planning
  - Political dynamic
  - DSRIP/PPS

**SFY 16-17 Budget Recap**
Transformation Fund & Other Capital Funds

- **Statewide Health Care Facility Transformation Program – Coalition Effort**
  - $195M of bonded dollars as a grant or a loan for capital, debt relief, non-capital purposes*
  - Eligible entities: general hospitals, nursing homes, D&TCs, and clinics licensed under OMH or OASAS.
  - Minimum of $30M of the $195M is set aside for home care providers, D&TCs, and clinics licensed under OMH or OASAS.
  - Projects must be aligned with DSRIP, reflect community need, preserve and sustain services in the community, and successful bidder must meet metrics.
  - Priority will be given to projects not funded under other grant programs.

- Note on other capital programs:
  - VAP
  - VBPQIP, etc.
  - Brooklyn

* SFY 16-17 Budget Recap
Minimum Wage: Phase In

■ NYC:
  ■ Increase to $11/hr starting Jan. 1, 2017 and increasing to $15/hr by Jan. 1, 2019.
  ■ Small employers (defined as 10 employees or less) in the City must increase to $10.50/hr starting Jan. 1, 2017 and increasing to $15/hr by Jan 1, 2020.

■ Nassau, Suffolk and Westchester Counties:
  ■ Increase to $10/hr starting Jan. 1, 2017 and increasing to $15/hr by Jan. 1, 2022.
  ■ Applies to all employers regardless of size.

■ Rest of State:
  ■ Increase to $9.70/hr starting Jan. 1, 2017 and increasing to $12.50/hr by Jan. 1, 2021.
  ■ Applies to all employers regardless of size.
Minimum Wage: Funding

- Limited new funding for OASAS (800K), OPWDD (4.1M) and OMH (600K) providers for 2017 impacts of minimum wage increases (on top of the .2% COLA).

- DOH licensed providers:
  - $58M state share – $13M cash
  - Hospitals, nursing homes and home care

- Removes impact of minimum wage from the Global Cap

- Home care workers will have the first phase of the minimum wage increase incorporated into rates effective Jan. 1, 2017. (Non-budget bill.)

  Work groups to meet throughout summer regarding implementation

SFY 16-17 Budget Recap
Health Republic

- No guaranty fund
- No appropriation to reimburse providers for losses
- Language to create a process to use future settlement funds to reimburse providers after the liquidation of the insurer

Issues regarding rate approval process raised during rest of session, at legislative roundtables and at confirmation hearing of DFS Superintendent Maria Vullo.
End of Legislative Session Update

- Fighting Opioid Addiction
- Breast Cancer Screening
- Advanced Home Health Aide
- Other bills of note
NYS Health Care Reform – The MRT Final Report 5 Years Later

- Improving Care: Care Management for All
  - Overall Medicaid Enrollment: 6.1M (March)
  - Mainstream Managed Care: 4.5M (May)
  - Behavioral Health
    - Improving BH was a separate MRT Final Report Goal (HARPs, Peers)
    - HARP: 38,907 (May)
      - Projected versus actual enrollment
    - Non-HARP
      - Implementation
  - Long Term Care (cumulative): ~170K (May)
    - FIDA, MLTC and MAP
    - Nursing Home transition

FFS: ~1.5M
NYS Health Care Reform – The MRT Final Report 5 Years Later

- Improving Care: Universal Access to High Quality Primary Care (incentive payments, raise more providers to PCMH Level 3, workforce, physical plant)
  - Advanced Primary Care and SHIP
  - PTN
  - CPC+
  - Impact of DSRIP
  - Workforce
NYS Health Care Reform – The MRT Final Report 5 Years Later

- Improving Care: Health Homes
  - Enrollment: 121,822 (or 384K?)
  - Eligible: 1.15M
  - Claims: $608M + $500M Waiver
  - Implementation
Improving Care: Workforce (working at the top of the license)

- Health Workforce Retraining Program – $24.2M over 2 years [regional distribution]
  - train/retain for new positions;
  - help meet new requirements for existing positions;
  - meet evolving requirements for new health care delivery system
- Workforce Work Group
- Community based provider retention issues
NYS Health Care Reform – The MRT Final Report 5 Years Later

- Improving Care: Interoperable EHRs
  - SHIN-NY and RHIOs
    - State inter-connections between RHIOs made
    - SHIN-NY and RHIOs – Future State
  - APD ($10M) contract awarded
NYS Health Care Reform – The MRT Final Report 5 Years Later

- **Improving Health**
  - *Eliminating Health Disparities* (14 measures)
  - *Affordable/Supportive Housing* (20K units committed over 15 yrs, over $10B commitment for new and continued supportive housing)
  - *Evidence Based Benefit Design*

- **Reducing Costs**
  - *Global Cap* (SFY15-16 – 1st time over, end SFY at 3M under)
  - *Strengthening and Transforming the "Health Care Safety Net"* (safety net hospitals, Brooklyn)
  - *Payment reform*
  - *Med Mal Reform*
  - *State/Local Relationship* (shifting roles, NY State of Health)

- **Measuring Success via core Medicaid measures and population health measures**
NYS Health Care Reform – The MRT Final Report 5 Years Later

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Health Care Reform Update: DSRIP

- Delivery System Redesign Incentive Payment (DSRIP) Program
  - Federal program that New York and CMS have tailored to serve as the vehicle through which the majority of the State’s Medicaid waiver flow
- DY2 began 4/1/16
- Focus on developing clinically integrated networks
- Logistics still being worked out re
  - Contracts
  - Funds flow
- Midpoint assessment starting
  - HIT issues [less than 50% -- 20%? -- PPSs with data exchange capabilities]
  - consolidation
Health Care Reform Update: VBP

- Transition to Value Based Payment – the priority
- Road Map to move 80-90% of Medicaid payments to VBP by the end of the DSRIP period and beyond
- More detail since last year – workgroups held, roadmap updated
  - Coordination with APC
  - Addressing health disparities
  - Sharing savings

How to define value?
Health Care Reform Update: VBP

- Models
  - Total Cost for the General Population
  - Integrated Primary Care with the Chronic Bundle
  - Maternity Bundle
  - Total Care for Special Needs Sub-Populations
  - Other

- Levels: 0, 1, 2, 3
Health Care Reform Update: VBP

- How this is being implemented
- Foundation for coordination with commercial payers
- VBP Innovator Program to jump start and set examples
Health Care Reform Update: VBP

- Interplay with MACRA
  - Background on MACRA
  - DOH Roadmap highlights alignment with MACRA re goals and tiers:

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<tr>
<th>Federal Alternative Payment Model (APM)</th>
<th>NYS Roadmap</th>
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<tr>
<td>Category 1 (FFS w/o link to quality)</td>
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<tr>
<td>Category 2 (FFS w/ link to quality)</td>
<td>Level 0</td>
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<td>Category 3a (upside only)</td>
<td>Level 1</td>
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<td>Category 3b (upside and downside)</td>
<td>Level 2</td>
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<tr>
<td>Category 4 (population based mgmt)*</td>
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- But benchmarks not necessarily the same for measurement purposes
Health Care Reform Update: Market Consolidation

- Antitrust
  - Recent Federal Developments
  - COPAs and ACOs
  - IPAs
Health Care Reform Update: State Regulatory Changes

- Co-location of behavioral health and medical care
- Telehealth and teleradiology
- Certificate of Need
A Look Ahead

- Elections:
  - State – Senate
  - Presidential

- Investigations

- Changing Faces