HEALTH CARE TRANSFORMATION UPDATE – THE LATEST FROM ALBANY & BEYOND

Presentation to Finger Lakes Health Systems Agency: Community Based Organizations
July 12, 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
Community Based Organizations

- 50M NFP Infrastructure Fund – $50M reappropriated + $50M new appropriation, 2016 awards TBD
- CBO Planning Grant – $2.5M
- Poverty Initiative
- My Brother’s Keeper
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.)

DOH & "O" Agencies: Work groups to meet throughout summer regarding implementation
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
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
NYS Health Care Reform – The MRT Final Report 5 Years Later

- 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
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.

- Initial detailed project implementation plans submitted (final due in December)

- 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

- Role of Community Based Providers in VBP
  - State vision: “Culturally competent community based organizations (CBOs) actively contracting with primary care organizations and health systems to take responsibility for achieving the State’s Prevention Agenda. DSRIP starts to build the infrastructure to take on housing, job placement, community inclusion, and criminal justice alternatives as levers to increase population health. The State foresees that VBP will become a vehicle to maintain this infrastructure.”
  - VBP contractors in Level 2 or 3 agreements will be required to implement at least 1 social determinant of health intervention
    - Level 2: MCOs to share in cost and responsibilities associated the intervention.
    - Level 3: Providers and provider networks to bear cost and responsibilities
Health Care Reform Update: VBP

- Incentives to address at least one social determinants of health
  - Level 2: Additional Bonus
  - Level 3: Funding Advance

- Contracting with CBOs
  - Partner with providers and MCOs
  - After 2-3 years, NYS to create process to determine whether VBP contractors adequately leveraging CBOs and identify best practices
  - Measurement tool (?) – with State looking at whether to incorporate into standard plan reporting measures

- 2018: VBP Pilot to address Prevention Agenda through CBO-led efforts
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
A Look Ahead

- Elections:
  - State – Senate
  - Presidential
- Investigations
- Changing Faces