



TO: ADHCC Members
FROM: Anne Hill, Executive Director
DATE: January 19, 2016
SUBJECT: **2016 Executive Budget Proposal**

On January 13, Governor Cuomo released his Executive Budget for state fiscal year 2016-17. Below is a summary of budget proposals affecting ADHC providers.

- ***Transportation for Method 1 Programs:*** This administrative proposal would authorize DOH to contract with Medicaid transportation vendors (such as LogistiCare or Medical Answering Services) to manage **all** transportation of ADHC registrants. This effects all ADHC programs that own their own vehicles or contract with vendors to transport registrants to and from program (Method 1). This proposal would be effective 4/1/16.
- ***MLTC Transportation Carve-Out:*** The Executive Budget includes a proposal to eliminate transportation from the MLTC benefit package and has attributed an \$8 million savings to this action (State share). This proposal would be effective 10/1/16.
- ***MLTC Eligibility:*** The Executive Budget proposes to change the eligibility for enrollment into MLTC by requiring a Nursing Home Level of Care (NH LOC) score. This proposal would be effective 10/1/16.

Background on ADHC Transportation

In 2008, ADHC programs were given the option to select either Method 1 or Method 2 to transport registrants to and from program. The overwhelming majority, 70 percent, chose option 1 or Method 1. Today, approximately 70 percent of ADHC programs continue to transport registrants using Method 1.

Method 1: The ADHC program manages all aspects of transportation including: deciding the mode of transportation a registrant will use, selecting and contracting with vendor/s, all scheduling and all record keeping to substantiate that transportation is appropriate for a registrant. Method 1 allows the ADHC program to bill Medicaid directly for a program-specific rate. This rate is based on the actual cost of transportation plus ten percent that the program keeps to pay for administrative costs.

Method 2: In 2008, the Local Department of Social Services (LDSS) managed all transportation for Method 2 programs including establishing and approving eligibility for transportation. Over the past several years, DOH phased out the role of LDSS and awarded contracts to LogistiCare and Medical Answering Services (MAS) to manage non-emergency transportation needs of Medicaid enrollees. Today, registrants enrolled in ADHC programs that selected Method 2, have their transportation arranged by either LogistiCare or MAS. Transportation vendors that contract with LogistiCare or MAS must be Medicaid-approved transportation providers. These Medicaid transportation vendors bill the State a region-specific rate directly.

2016-17 Executive Budget Proposal

The Executive Budget proposes to eliminate the option for ADHC programs to arrange, manage and provide either directly or through a contracted vendor, transportation (Method 1). Under this administrative proposal, LogistiCare or MAS would take total control and responsibility for

scheduling and hiring a Medicaid-approved transportation vendor to transport registrants to/from program. According to the State Division of Budget, this would be a Medicaid savings of \$3.2 million (State share).

Members should note that the State seeks to change ADHC transportation *administratively*. There is no budget language in the Health and Mental Hygiene Article VII budget bill because ADHC transportation does not exist in statute. This budget language was found as a line item in the State Division of Budget (DOB) brief.

Heidi Seney, director of Medicaid transportation at DOH, explained to the ADHCC the State's rationale for this significant change. She reported that the State wishes to move all non-emergency transportation under the purview of MAS and LogistiCare in order to streamline transportation and improve efficiency. By doing this, DOH would no longer pay individual ADHC programs for transportation and would no longer handle rate appeals and other disputes between the vendor and ADHC program. She said that MAS and LogistiCare are now robust enough to handle this change and it will be more cost-effective for the State.

Asserting the same argument, DOH proposes to take transportation out of the hands of Managed Long Term Care (MLTC) plans and into LogistiCare/MAS. Members might remember that this same proposal was included in last year's Executive Budget, but found considerable opposition from MLTC plans and was ultimately shot down by the Legislature.

MLTC Eligibility

The State took a significant turn in Medicaid redesign with a proposal to change the eligibility for MLTC. This proposal would require an individual to have a NH LOC score (determined by the UAS-NY, presumably) in order to enroll in a MLTC plan. Beneficiaries enrolled in a plan on April 1, 2016 would be permitted to remain enrolled. This proposal is intended to align MLTC enrollment standards with those of the Community First Choice state plan amendment. This proposal would take effect on October 1, 2016.

The ADHCC is analyzing this proposal and its effect, if any, on ADHC providers. Members should be reminded that there is no LOC requirement for ADHC and a NH LOC score is *not required* for enrollment into ADHC. To be eligible for ADHC, an individual must be functionally impaired and in need of ADHC services.

Advocacy Efforts Underway

The ADHCC is opposed to the Budget proposal to eliminate Method 1 option for ADHC programs. We feel ADHC programs that chose to arrange and provide transportation under Method 1 should continue this service. Allowing LogistiCare or MAS to schedule and arrange for transportation for a vast majority of ADHC registrants would cause a major disruption of service. The ADHCC along with our lobbyist, Brian Lucey, will carry this message to members of the Legislature, DOH and Executive.

We will also team up with LeadingAge NY in opposition to removing transportation from the MLTC benefit package. Together, we have a stronger, unified message.

If you feel strongly about maintaining the integrity of your Method 1 program, please join us in our advocacy efforts. Call, write or meet personally with your representative and tell him/her what it means to be a Method 1 ADHC program. Tell your legislator about your reliable, safe

and efficient transportation and how your transportation allows individuals to remain in the community. If you have experience working with LogistiCare or MAS, this should be communicated as well.

Identify who your legislators are by clicking [here](#). Personalized letters written on your organization's letterhead and personal phone calls are very effective. I also encourage you to get family members involved. We will provide you with a sample letter for you to personalize for your organization and a sample letter for families in the next few weeks.

Advocacy Day is Tues., February 9

Rally behind this issue with other ADHC providers on Advocacy Day! We encourage all members to participate in the 2016 LeadingAge NY/Adult Day Health Care Council Advocacy Day, which will be held on Tues., February 9 in Albany. Click [here](#) to register. If you need assistance scheduling appointments, please contact me ASAP. Also, if you would like me to accompany you on a visit, I am happy to do so.

If you have any questions related to the contents of this memo, please contact me at 518-867-8383 ext. 141 or ahill@leadingageny.org.

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