



(Sent via Mail and E-Mail)

July 23, 2019

Theodore A. Kastner, MD, MS
Commissioner of OPWDD
44 Holland Avenue, 4th Floor
Albany, New York 12229

Via E-mail theodore.a.kastner@opwdd.ny.gov

Dear Commissioner Kastner:

On behalf of DDAWNY, the Developmental Disabilities Alliance of Western New York, I commend you on OPWDD's vision for the managed care transition and your plan to establish specialized provider-led managed care plans (SIP-PL) over time as outlined in your May 6, 2019 presentation to the Joint Advisory Council (JAC). DDAWNY understands by seeking to initiate the transition to managed care for individuals with I/DD, New York State is seeking to meet the CMS Triple Aim of improved quality, improved health outcomes and reduce health care costs.

DDAWNY supports Managed Care implementation with medical and other State Plan services. Many individuals with I/DD are already enrolled in a Managed Care Organization (MCO) for these medical services and DDAWNY believes further enrollment of the I/DD population into MCOs for medical services statewide should be encouraged and prioritized.

The nine months and counting delay in the release of the final SIP-PL qualification document provides the State with an opportunity to rethink and revise its overly aggressive timeline and strategy for moving all Medicaid services, including medical services, other state plan services and OPWDD long term supports and services (LTSS) into a managed care environment. DDAWNY is very supportive of the movement of medical and state plan services into managed care as quickly as possible.

However DDAWNY believes the movement of OPWDD habilitative services and other LTSS into managed care must await the development, rollout and validation of an appropriate managed care infrastructure including the development of Value Based Payment (VBP) Quality measures for I/DD LTSS; CAS acuity scoring; robust data collection and analysis of utilization, encounters and quality measurement; IT and EHR upgrades for the I/DD system; and appropriate state fiscal support for all of these necessary components of managed care as well as actuarially accurate rates.

DDAWNY strongly supports your vision of a careful, incremental approach allowing managed care plans to gain experience coordinating care by providing medical and certain State Plan services to enrollees now and to phase in OPWDD services once the appropriate managed care infrastructure is in place.

Indeed, more and more people with I/DD are being enrolled into MCOs every day and this enrollment is not adversely impacting their OPWDD-authorized supports and services. DDAWNY is supportive of people with I/DD being enrolled in MCOs for their medical and other Medicaid State Plan services, as long as they can access better provider networks, have better health outcomes and receive a higher quality of care.

DDAWNY notes that in addition to the 1,100 people currently enrolled in the Fully Integrated Duals Advantage for Individuals with Intellectual and Developmental Disabilities (FIDA-IDD), over 25,000 people with developmental disabilities are currently enrolled in mainstream managed care programs and these MCOs already manage the medical needs of the I/DD population. Several DDAWNY agencies currently participate in a Medicare Primary Care Accountability Organization, the Alliance of Integrated Care, and are seeing the benefit of medical care coordination, chronic case management and other efficiencies which are leading to improved health outcomes for individuals and real shared savings that are being achieved under the Medicare program.

As DDAWNY noted in our comments to the draft Health Home Application to Serve Individuals with I/DD in August of 2017, and as we reinforced in our September 2017 comments on the 2018-2022 5.07 Statewide Comprehensive Plan for OPWDD, we share the concerns of our sister Provider associations, NYSACRA and NYSRA (now the merged New York Alliance For Inclusion and Innovation) regarding an implementation schedule which seems wholly unrealistic and the need to provide a more deliberate, phased approach to implementation in order to identify best practices and barriers to implementation and allow stakeholders from each region of the State to be more deeply involved in ensuring the ongoing transformation is successful and serves the needs of the individuals we serve.

The aggressive timeline the State proposed in the August 31, 2018 draft SIP-PL document to qualify new SIPs-PL, enroll members and move to capitated at-risk for I/DD residential services and risk contracting for I/DD Targeted HCBS has proven to be unrealistic. DDAWNY is pleased OPWDD is looking to pause the rapid implementation in order to ensure a successful transition to Managed Care.

A recent peer-reviewed white paper commissioned by the American Network of Community Options and Resources (ANCOR) and written by Health Management Associates (HMA) focused on a factual review of the Managed Long-Term Services and Supports (MLTSS) for people with I/DD¹. The white paper found that as states increasingly rely upon managed care approaches inclusive of long-term services and supports (LTSS), the experience of managed care for people with I/DD is far more limited and only a few states have fully embraced contracted Medicaid Managed Care for all I/DD services.

The recent experience of Kansas and Iowa, the only two states that have adopted mandatory statewide MLTSS-I/DD for all I/DD services, are particularly troubling and suggest New York needs to carefully consider the strategy, design and development of managed care rates, and I/DD quality and acuity measures prior to the rollout of OPWDD waiver services and other I/DD related services under Managed Care.

HMA identified a number of reasons only a few states have included LTSS for individuals with I/DD in their managed care design. These include:

- Lack of potential cost savings in MLTSS-I/DD
- Limited MCO experience serving people with I/DD in MLTSS
- Limited state experience to set MLTSS-I/DD managed care rates
- Need for meaningful quality measures
- Lack of managed care experience among I/DD providers
- Unique role of I/DD case management and supports coordination
- Strong advocacy networks and relationships

¹ ANCOR and Health Management Associates, [Current Landscape: Managed Long-Term Services and Supports for People with Intellectual and Developmental Disabilities](https://anchor.org/sites/default/files/anchor_mltss_report_-_final.pdf) June 11, 2018 accessed at: https://anchor.org/sites/default/files/anchor_mltss_report_-_final.pdf

The white paper notes that Medicaid funds the vast majority of I/DD services. It also notes direct support labor comprise the vast majority of Medicaid HCBS expenditures and these workers are paid wages near minimum wage and Medicaid payments for HCBS for people with I/DD have historically been reimbursed at a level many providers believe are below their actual costs. The white paper points out for those states that have already largely or fully transitioned their system from institutional to community-based services "**there may be little or no cost savings to be realized.**" (Emphasis added).

The HMA white paper concludes:

"States seeking to use managed care to address long-term policy and program goals for people with I/DD may benefit from an incremental approach that helps ensure success. While this may have short-term drawbacks... it also allows state agencies, MCOs and providers the opportunity to solve implementation problems as they arise... Incremental implementation also allows providers, beneficiaries and families to adapt and provide feedback... the decision to employ managed care for people with I/DD should not be made hastily or with the expectation of quick fixes or immediate cost savings."

For a number of years, DDAWNY has warned state policy makers that risk-based managed care for persons with I/DD will not generate short-term savings. DDAWNY believes the State will need to increase upfront financial supports for both the new specialized managed care organization and providers.

DDAWNY members will need to invest significant resources to ensure the type of robust information and data necessary for managed care to succeed. Encounter data is essential to assess access and quality and to set actuarially sound rates. The current reliance on historical rates, which have been artificially limited by an over ten year freeze of any trend factors does not accurately reflect the actual cost of care. Unlike other health care entities in New York, such as hospitals and medical professionals, the I/DD provider community has not been offered the opportunity to invest in Electronic Health Records (EHR) and Information Technology (IT) necessary to develop the capacity required to provide a successful managed care environment. Developing and managing information will be critical to ensuring appropriate care and cost effectiveness.

Given the current financial difficulties the State faces, a pause in the implementation of managed care, particularly the non-medical components for I/DD waiver services is a wise and encouraging development.

On June 14, 2017, OPWDD and DOH jointly issued Policy Guidance for the Implementation of Managed Care for the I/DD Population². The guidance noted that the FY 2017-2018 budget contained language providing that the net additional upfront costs associated with the transition to managed care for the I/DD population would be financed as part of the DOH global cap resources. The Enacted FY 2020 Fiscal plan currently projects an FY 2021 \$3.9 billion Budget Gap. In FY 2021 the State will only have the benefit of a one-quarter year of enhanced federal funding for the new CCO/HHs for people with I/DD. As of July 1, 2020 funding for this critical new I/DD initiative will require 40% additional State support.

In June of 2019, DOB reported a deferral of \$1.7 billion in FY 2019 state share Medicaid payments to Medicaid Managed Care Organizations. DOB stated that absent the deferral, Medicaid spending under the Global Cap would have exceeded the statutorily indexed rate of 3.3 percent in FY 2019. DOB indicates the higher spending in FY 2019 appears to reflect growth in managed care enrollment and costs above projections. The FY 2020 fiscal plan currently projects a three percent growth in the Medicaid Global Cap and will now have to accommodate this additional \$1.7 billion within the FY 2020 Global Cap.

² <https://opwdd.ny.gov/sites/default/files/documents/Managed-Care-Cover-Letter-and-Policy-Paper.pdf>

Under these fiscal circumstances, standing up new Managed Care Organizations and providing the appropriate start up funding for this initiative out of DOH Global Cap resources at this time appears particularly problematic. Slowing the rollout and beginning the implementation of managed care for medical services only, or medical services and certain Medicaid State Plan services by allowing established MCOs to manage medical services and certain State Plan services, areas where true cost savings are likely, appears to be an excellent plan and a fiscally responsible approach the challenges of the FY 2021 budget.

DDAWNY believes in your vision and will continue to work as a partner with OPWDD and other State and Federal authorities to improve the lives of individuals with Developmental Disabilities, their families and their circle of supports.

Respectfully Submitted

DDAWNY, the Developmental Disability Alliance of Western New York

John R. Drexelius, Jr.
Government Relations Counsel
PO Box 141
Buffalo, NY 14223
716.316.7552
jrdrexelius@gmail.com

cc: Robert F. Mujica
Paul Francis
Howard A. Zucker, M.D, J.D, LLM
Kerri Neifeld
Meghan Baldwin
Michael Murphy
Frank Walsh

About DDAWNY

DDAWNY is a collaborative group of member voluntary agencies providing supports and services to people with developmental disabilities. While honoring individual agency missions, it is the intent of the Alliance to assist agencies to develop relationships, promote unified strategies and share risks for the mutual aim with and for the benefit of people with disabilities. DDAWNY member agencies employ over 22,400 individuals in the 17 Western and Finger Lakes counties of New York State, providing supports and services to over 33,000 individuals with intellectual or developmental disabilities (I/DD) and their families and/or circle of supports. DDAWNY has also formed a Family Committee to give voice to the often unheard people served in the disability arena.

DDAWNY is also a member of The Coalition of Provider Associations (COPA), a Statewide group of five associations - the Alliance of Long Island Agencies, Inc. (ALIA), Cerebral Palsy Associations of New York State (CP of NYS), the Developmental Disabilities Alliance of Western New York (DDAWNY), the InterAgency Council of Developmental Disabilities Agencies, Inc. (IAC), and the New York Association of Emerging and Multicultural Providers (NYAEMP) representing over 250 providers statewide.