

Medicaid **Medicaid Matters New York** *Matters*

Testimony to the Assembly Ways and Means and Senate Finance Committees
Joint Legislative Budget Hearing on Health/Medicaid
February 25, 2021

Thank you for the opportunity to address you today. My name is Lara Kassel. I am the Coordinator of Medicaid Matters New York, the statewide coalition representing the over six-and-half million New Yorkers served by the Medicaid program. Over 100 coalition members participate in our advocacy. They are Medicaid beneficiaries, family members, community-based organizations, community-based providers, legal services agencies, policy and advocacy organizations, statewide associations, and more.

Medicaid Matters believes New York needs a Medicaid program that delivers quality health care and services to all who need them. The COVID-19 pandemic has shown us the value of a robust health care system. While not perfect and gaps remain, New York Medicaid has a long history of providing care and services to meet the needs of low-income people and people with disabilities. Now more than ever we need investment in Medicaid to deliver on that promise and ensure all New Yorkers are able to be part of building a better future for our state.

This year's proposed budget does not include cuts that would directly impact on access to services, as we have seen in previous years. However, the budget fails to invest in the Medicaid program in ways that would promote access to needed services and help the entire system reach greater equity. To do that, we need bold action to enact progressive tax reform and invest new revenue in ways that help New York build on its history of providing a comprehensive program that serves as a health care safety net. The Medicaid program must meet people where they are, support community-based services, protect safety-net providers, and promote health equity.

To reach these goals, Medicaid Matters urges the following budget actions be taken:

Repeal the Medicaid global spending cap

The budget proposal includes an extension of the global cap for an additional two years. The global cap was arbitrarily set by the original Medicaid Redesign Team in 2011 along with the Governor's insistence for discipline in the way we spend money on Medicaid. It was not designed to allow the program to grow and respond to the needs of New Yorkers. Governor Cuomo has played shell games in Medicaid, using the global cap as an excuse to maintain austerity. We need a budget based in reality and focused on delivering care and services people need, not arbitrary numbers that turn people into dollar signs.

Repeal of the cap would also remove the authority granted to the Division of the Budget to make mid-year budget adjustments under the guise of remaining under the cap. It would once again allow the Legislature to reasonably negotiate a Medicaid budget within the rubric of the annual budget process.

Promote community-based services and supports by funding workforce

Previous enacted budgets made deep cuts to Managed Long Term Care (MLTC) in ways that will restrict access to services. This year's budget does not propose any similar cuts. However, it makes no investment in community-based long term services and supports. In fact, it makes additional cuts to home care workforce recruitment and retention funding at a time when more home care aides and attendants are needed than ever before. The budget must promote community-based services by adequately financing the home care workforce to provide for people's needs.

Protect adult home residents

Adult homes are congregate facilities for people with mental health issues, many of whom also have a variety of physical health needs. Adult home residents rely on outside advocacy, as well as funding that meets their everyday needs outside of what the facilities provide. The Governor's budget zeroes out funding for the Adult Home Advocacy Project, which supports four independent advocacy organizations who represent adult home residents. The budget also cuts Enhancing Quality of Adult Living (EQUAL) funding, which is grant funding to improve quality of life for adult home residents. This funding must be restored.

Expand coverage for immigrants

The proposed budget does nothing to advance access to coverage for immigrants who are currently ineligible. Medicaid Matters supports the Coverage4All campaign, calling for access to affordable health coverage for all New Yorkers, regardless of immigration status. Short of that, this year's budget should include \$13 million to provide temporary Essential Plan coverage for people with incomes up to 200% of the federal poverty level who have had COVID-19 and are excluded from existing coverage programs because of their immigration status.

Protect safety-net providers

The proposed budget includes hospital cuts that would severely impact safety-net facilities. These are hospitals that serve a large number of people covered by Medicaid and people who are uninsured. To protect these hospitals, the enacted budget must:

- Reject the proposal to eliminate the state share of the Indigent Care Pool fund (which assumes the local share would kick in to cover the cost); and
- Add language to exclude hospitals that meet the statutory definition of "enhanced safety net" facilities from the 1% across-the-board reimbursement cut.

The moving of the Medicaid pharmacy benefit from managed care to fee-for-service (referred to as a managed care "carve-out" and enacted in the 2020-21 budget) eliminated the ability of safety-net providers to take advantage of the federal 340B prescription drug savings program. This is a significant loss of funding to community health centers and other safety-net providers. This year's proposed budget provides \$102 million to back-fill this funding, which is far from the total loss. The budget must include a delay in the pharmacy carve-out for providers that rely on 340B funding.

Strengthen the Essential Plan

We applaud the Governor's proposal to eliminate premiums for people enrolled in "EP1," Essential Plan coverage for people with income 150-200% of the federal poverty level. This will encourage enrollment for an estimated 100,000 people who are eligible, but for whom the \$20 monthly premium was a barrier to enrollment. We would urge premiums also be eliminated for dental and vision coverage, removing this barrier to coverage for services often not afforded low-income people.

Fully fund consumer assistance

The Community Health Advocates program (CHA) and Community Health Access to Addiction and Mental Healthcare Project (CHAMP) provide post-enrollment assistance statewide. The budget fully funds CHAMP and maintains level funding for CHA. Legislative adds would provide the total CHA funding at \$3.9 million.

Restore prescriber prevails

The budget once again proposes to eliminate "prescriber prevails." This requirement dictates that the prescriber of a medication has the final word in any disputes over the filling of a prescription. Medicaid Matters opposes this change and urges a restoration.