

MRT Work Group Meeting Summary

Work Group Name:

Program Streamlining and State/Local Responsibilities

Meeting Date, Time, Location

March 15, 2012

1pm-4pm

Century House, 997 New Loudon Road, Latham, NY

Members in Attendance:

Ann Monroe, Joe Baker, Trilby de Jung, Martha Robertson, William Ryan, Carol Dankert, Robert Doar, Michael Fitzgerald, David Jolly, Dennis Packard, Wendy Darwell, Fran Turner, and Moira Dolan

Summary of Key Meeting Content:

Co-chair Ann Monroe opened the meeting with introductions and a statement of the purpose of the meeting. The purpose of the meeting was to reach agreement on the functions the State could assume in 2012 and 2013 to provide meaningful workload relief to the local districts. Before focusing on the list, the group wanted to understand how the One House Budget proposals differed from the Executive Budget proposal.

The Department of Health reviewed the Executive Budget proposal with respect to county fiscal relief and the State Administration of Medicaid. It then described the Senate and Assembly Proposals, noting the differences among the three. In summary:

Fiscal Relief - The Executive and Assembly proposals phase out the county contribution to the growth of Medicaid over three years beginning in April 2013, a value to the counties of \$1.2 billion over five years. The Senate proposal phases out the growth over four years and accelerates the phase-out for non-New York City counties while slowing the phase-out for New York City

Administrative Cap - The Executive and Assembly proposals cap county administrative reimbursement at the 2011-12 financial plan amount. The Senate proposal does not cap county administrative reimbursement.

State Administration - The Executive proposal allows the Department of Health to begin to assume county administrative functions and grants the Department hiring and contracting flexibility to achieve the cost savings to the counties of assuming the functions. The Senate and Assembly proposals reject the Executive proposal and instead propose to study the issue and prepare a plan, respectively.

The Department explained that the consequence of the Senate and Assembly proposals is that the Department will not be able to provide any workload relief to the counties in 2012 or 2013 and will have

to implement federal health care reform under the assumption that the counties will continue to be responsible for eligibility determinations. As such, the counties need to be prepared to determine eligibility in a timely manner for an anticipated additional 500,000 Medicaid enrollees in 2014 and to determine eligibility for CHIP and Advanced Premium Tax Credits for those found ineligible for Medicaid, potentially another 500,000 enrollees. Tribby de Jung asked to go on record with her preference that the Exchange be responsible for processing all new applications for coverage as reflected in the MRT Work Group recommendations in September.

Work group members questioned whether the studies included in the Senate and Assembly budget proposals would produce a significantly different outcome from the work this group has been doing for the past year. Several members of the group felt that the work of the MRT Work Group was ignored in the One House budget proposals. They felt the group worked for almost a year to craft recommendations for State administration of Medicaid. Delaying the ability of the State to move forward in any meaningful way to await further studies seemed to ignore the MRT recommendations.

The group then turned to a discussion of the specific functions the State could assume from the counties in 2012 and 2013. The Department reiterated that none of these functions can be implemented without additional staff resources in the Department, contracting flexibility and hiring flexibility. Some of the work would be accomplished by increasing automation; other functions would be contracted out and/or accomplished by State staff.

County representatives supported the list of functions the State could assume in 2012, but expressed concern that it did not provide adequate work load relief to enable the county to reduce administrative costs enough to be under the cap on administrative reimbursement. The group then had a discussion of a hold harmless pool and while the option was viewed favorably, there was still concern among the counties of imposing a cap in 2012.

When discussing the functions the State could potentially assume in 2012 with savings in 2013, workgroup members asked whether the managed long-term care function included both an assessment that the person is subject to mandatory long term care and enrollment in the plan. The Department agreed to get an answer to the question. Workgroup members expressed an interest in continuing the work of the long-term care subcommittee into the future to provide input into the implementation of managed long term care. Joe Baker agreed to work with Jason Helgerson and Mark Kissinger to schedule a meeting.

A work group member asked whether the idea of a "SWAT" team at the state level to assist with review of pooled trusts or other documents as discussed at the last meeting was represented on the slides. The idea was added to slide 11 for future analysis. Assuming responsibility for processing separate determinations for Medicaid eligibility after a Temporary Assistance denial was also added to slide 11.

Workgroup members asked whether the new staff provided in the Executive budget would allow the Department to immediately expand the number of counties for which it processes disability determinations. The Department responded yes, but that the first priority was to replace recent staffing losses that had impacted the timeliness of current determinations and that additional counties would

not be assumed for any function until the State demonstrates its ability to process work in acceptable timeframes.

Workgroup members asked whether the new functions assumed by the State would be accomplished in Albany or spread through additional counties. The Department has not made any final decisions on this and is exploring the options.

A work group member asked the status of the Exchange. The Department briefly described the Senate and Assembly budget proposals on the health insurance exchange. The group discussed the possibility that New York might participate in the federal exchange instead of building its own and whether the State might lose some of the funding that has been secured for technological improvements if it decides to participate in the federal exchange.

The Department explained the need for the contracting flexibility in the Executive budget. It will assist the Department in assuming identified functions more quickly. For example, the Enrollment Center contractor is interested in producing its own renewal form and bar-coding it to assist with accurate and efficient processing, and speed up renewals. The current contract does not provide a mechanism for the contractor to be reimbursed for mailing the renewal form, which impacts overall efficiency. The State system that produces the renewals has no capacity for bar-coding. If the Department is not able to take advantage of contracting flexibility for the Asset Verification System (AVS), it will take at least two years for the procurement to be completed, delaying workload relief for the counties in long term care eligibility determinations.

Workgroup members discussed whether the previous statute from 2010 gives the State the authority to take responsibility for Medicaid Administration. It was acknowledged that the authority alone is not enough. The State needs resources to accomplish it. The Executive budget provided staff resources and the flexibility to hire the staff with the knowledge, skills, and abilities to assist with taking responsibility for certain functions in 2012 while a new Civil Service title is created. Resources will need to continue to be provided year after year in order for additional functions to be transitioned. The Senate and Assembly budget proposals start the process all over again by requesting studies before functions can be transitioned.

The work group then turned to a discussion of eligibility determination for the MAGI population, which the work group recommended to the full MRT be centralized in 2014, a recommendation the MRT adopted. Given that a year has been lost in implementing an Exchange and in Information System development, if MAGI determinations are centralized, it is likely the Department will need to phase in the centralization of new applications and renewals for the MAGI population. The Department is strongly considering one of the recommendations from this group which is to start by processing all applications for Medicaid/MAGI coverage that are submitted by facilitated enrollers. Another idea being discussed is leaving responsibility for processing Medicaid/MAGI coverage for New York City residents with the Human Resources Administration (HRA).

The workgroup summarized its action items as follows:

- 1) Joe Baker will work on continuing the work of the subcommittee on long term care;
- 2) The Department of Health will meet monthly with a small group of commissioners of local departments of social services to discuss more detailed implementation planning of the next steps for State administration or continued local administration with the Exchange depending on the outcome of the budget;
- 3) The Chair asked the Department to provide periodic updates to the workgroup on its progress assuming additional responsibilities from the LDSS and offered the support of the group, if needed; and
- 4) The group discussed the merits of drafting and signing a letter indicating the workgroup's position on transitioning responsibility for the administration of the Medicaid program from local departments of social services to the State.