



**Protect New York State's Home Care System  
From the Disproportionate Assault  
by the Governor's MRT**

**Home care providers in your community are at risk for closure/elimination by the Governor's proposals. Ask your Leadership to take a stand against the assault on home care by:**

- 1. Reduce the disproportionate level of cuts (\$600 million, \$1 billion with the wage mandate) to home care. Work with the Home Care Association (HCA) to reduce the deep and disproportionate cuts imposed on home care by enacting alternative efficiencies and savings to the home care sector.**
- 2. Allowing the chronically ill, frail elderly and disabled to continue to receive care in Long Term Home Health Care Programs (LTHHCPs) and Certified Home Health Agencies (CHHAs). Without the Legislature's explicit reference of these models in the budget bill, they will be shut down.**
- 3. The mandated state home care wage (\$400 million unfunded mandate) and contracting provisions impacting home care will also shut down home care services. Support the Senate's rejection of these proposals.**

# HCA Position Paper on the Assembly and Senate Budget Bills March 16, 2011

As the Senate and Assembly prepare to vote on their respective budget bills, HCA implores the Legislature to consider the impacts of the respective budget bills on New York State's home care community. The following is an analysis of how the respective budget bills affect home care services provided to needy patients across New York State.

- **Mandatory Enrollment of all Frail Elderly, Disabled Adults and Chronically Ill Patients Into Managed Care/Managed Long Term Care (MLTC):** The Governor's MRT plan would force all long term care patients receiving care in their homes through Certified Home Health Agencies (CHHAs) and the Long Term Home Health Care Program (LTHHCP) to enroll into MLTCs, effectively shutting down effective CHHA and LTHHCP care management models that the state has invested in for more than thirty years. MLTCs represent one model of care coordination; but to force all chronically ill, disabled adults and frail elderly into one model – when LTHHCPs and CHHAs also provide excellent, cost-effective care coordination through provider-based nursing models – is reckless and needless. CHHAs and LTHHCPs must be preserved as effective models of care coordination. **The Assembly budget bill includes language that identifies CHHAs and LTHHCPs as models that should be preserved, but this language needs to be further strengthened and written with more precision to assure the continuation of these models. The Senate Budget Bill provides for a one-year postponement in the applicability of the mandatory enrollment mandate and does include language in the Senate Budget Resolution report that indicates support for preserving provider-based care coordination models such as those in CHHA and LTHHCP. These are helpful signals and need to be strengthened in the final budget language to clearly articulate support for the preservation of these provider based chronic care management models.**
- **Disproportionate and Devastating Cuts to the Home Care Sector:** Both the Assembly and the Senate budget bills include all of the Governor's Medicaid Redesign Team (MRT) proposals to disproportionately make cuts to the home care system. These cuts total \$593.2 million (state and federal shares) and will decimate New York's home and community based care system, causing massive closures of agency programs and services to frail elderly, chronically ill and disabled patients. These cuts come on top of \$430 million in cuts to the home and community based care system since April 2008. Such prior-year cuts have already caused tumultuous financial instability in the home care system. More than 70 percent of home care agencies are operating in the red, according to the State's own Medicaid cost report data. **HCA urges the Legislature to reject these massive cuts and instead embrace HCA's reform and efficiency proposals that would yield significant Medicaid savings without destroying the home care system.**
- **Unfunded State Wage Mandate and State Control of Home Care Contracting:** The Governor, through the MRT proposals and 30-day amendments, has advanced proposals that would impose an unfunded \$418 million wage mandate on home care providers. This alone will cause massive closures of programs and agencies, and, combined with the disproportionate cuts identified above, would result in an unprecedented \$1 billion assault on the home care system. In addition, the 30-day amendments included a proposal that would give DOH unprecedented control over which home care providers the state would allow to provide home care services, as well as control over the terms and conditions of the contract (including wages). This provision amounts to a massive intrusion into the employer-employee relationship and would enable the state to dictate the terms of employment in the home care sector – a non-public sector. **The Senate budget bill rejects both the unfunded wage mandate as well as the state contracting provisions. HCA strongly supports the rejection of these disastrous proposals.**