



Memorandum of Support
A.8402-A (Morelle), S.5472-A (Breslin)
at the Request of the Governor

Managed Care Consensus Bill

The Home Care Association of New York State (HCA) strongly supports the enactment of the managed care consensus bill, A.8402-A (Morelle), S.5472-A (Breslin).

This legislation is the result of extensive, broad based discussions between the health care community, consumers, insurers, the Administration and the Legislature. Its provisions will improve the interface between health care providers and health plans/insurers in a number of significant areas and promote the mutual goal of supporting access, coverage and delivery of health care services to the consumer.

Among the benefits of this bill are provisions which specifically address several major concerns related to home care's interaction with managed care organizations and insurers, particularly in the area of authorization and coverage of services. As enrollment in both managed care and home care has simultaneously increased, the urgency to address these concerns has increased as well. We commend all parties – our fellow provider associations, consumer representatives, the health plans, the Administration and the Legislature – for the constructive, vital consensus achieved in this bill.

Included among the provisions of this bill, which benefits hospitals, home care providers, physicians, consumers, insurers and others, is a particular breakthrough for home care patients and providers.

In the 1990s the laws were amended to protect patients' coverage when seeking emergency room care, but a similar protection for urgently needed after-care was not addressed. Home care providers have long been subject to a twenty-four hour response requirement, but heretofore, health plans have had up to three business days to make coverage determinations. The certainty and timeliness of post-hospital home care coverage is critical not only to the home care provider, but ultimately to the physical security of the patients, the continuation of their healing and recovery process and to the success of their overall plan of care.

Changing health care delivery patterns (e.g., quicker and sicker discharges from hospitals), the propensity for relatively short notice prior to discharge (particularly the challenging circumstances related to "Friday afternoon" discharges), steadily increasing emphasis on care at home instead of institutions and increasing needs for highly skilled/intensive services at home have combined to require timely decisions about home care and home care coverage by agencies and insurers.

(continued)

This legislation takes a major step forward in ensuring that home care services vital to patients' return to their homes following a hospitalization will be covered and be approved by utilization review agents in health plans and insurers in a more timely fashion.

The bill's provisions relating to home care include:

New protections for hospital discharges to home care providers

This provision requires a health plan's utilization review (UR) agent to make a determination within **one business day** of receiving the necessary information associated with a request for home health services following an inpatient hospital admission, and to notify the patient and/or provider of this determination within the same timeframe. The determination/notification timeframe extends to **72 hours** when the date of request immediately precedes a weekend or holiday.

Coverage of home care services while UR determinations are pending

This provision prohibits the denial of coverage of home care services following a hospital discharge when the necessary information has been provided to the UR agent and the determination is pending. This provision also effectively creates the opportunity for home care agencies to secure/identify the status of initial coverage prior to accepting a hospital discharge.

Explicit expedited appeal rights for home care

Under this provision, an explicit right to an expedited appeal is provided to home care patients and providers for adverse determinations related to home care services following a hospital discharge. The expedited appeal must be processed within **two business days** and would further lead to the ability to request an external appeal if the initial appeal is denied. This process guarantees that providers who accept patients following hospital discharge will have access to an immediate review of services commenced or otherwise determined necessary by the physician and provider as part of the plan of care but denied by the health plan.

Additional related provisions in the bill require that, upon determinations following an appeal for external review, the external appeal agent must directly notify the provider of its determinations. (Currently, only the insured and the plan must be notified.)

The bill contains numerous other provisions that will also benefit health care providers and consumers, including home care providers and patients.

For all of the aforementioned reasons, HCA urges the Senate and Assembly to pass this important consensus bill and similarly urges the Governor's signature.