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Contact: Roger L. Noyes (518) 810-0665
(518) 275-6961 cell

HCA Applauds State Assembly's Passage of Managed Care Reforms

As a result of HCA advocacy, Assembly bill would improve access and coverage for home care

The Home Care Association of New York State (HCA) applauds the state Assembly's passage of legislation late last night which embraces an array of long-sought reforms to managed care, including improvements in essential access and coverage for home health care services.

Among many changes that will assist all health care providers, Assembly bill 8402-A contains several home care-specific provisions recommended by HCA to improve patient access to home care, including expedited coverage determinations for hospital discharges, interim coverage requirements when determinations cannot be made prior to the time of discharge, new expedited appeal rights so that adverse determinations can be immediately reviewed and reconsidered, and others.

"This comprehensive legislation will be helpful to home care providers, hospitals and physicians, but it contains a particular breakthrough for would-be home care patients and providers covered by managed care plans," said HCA President Joanne Cunningham.

"In the 1990s the laws were amended to protect patients' coverage when seeking emergency room care, but similar protections for urgently needed after-care was not addressed," Cunningham added. "This legislation takes a major step forward in ensuring that home care services vital to patients to return to their homes following a hospitalization will be covered and approved in a far more timely fashion. The certainty and timeliness of post-hospital home care coverage is critical 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."

"Such reforms have been a top-priority focus of HCA's outreach to the Legislature and Governor Paterson's Administration over the past two years," Cunningham added. "We applaud the Administration, particularly State Insurance Department officials, and the Assembly for acknowledging our concerns and following through on these recommended changes."

"We also hope that the consensus nature of this bill leads to its passage in the Senate and to further improvements in the environment of care delivery for all patients enrolled in managed care plans."

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Assembly Insurance Committee Chairman Joseph Morelle (D- Irondequoit) sponsored the legislation, which originated as a program bill by Governor Paterson and the State Insurance Department. As negotiations on the bill escalated over the past two weeks, HCA was invited into discussions aimed at reaching a consensus on the final plan among various health care community and consumer organizations.

HCA's advocacy specifically led to the inclusion of the following major provisions:

- ***New protections for hospital discharge 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.

These new timeframes are vital for successful care after a hospitalization. In addition, it is expected that the tighter timeframes, combined with the requirements for health plans to be provided with "the necessary information," may also prompt improvements in the overall hospital discharge planning process, which in itself will benefit the consumers, providers and payors as well.

- **Requirements that the health plan cover home care services following inpatient discharge while the UR agent's determination is pending.**

This provision specifically prohibits denial of coverage on the basis of medical necessity or a lack of prior authorization during the course of a UR, effectively creating 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**, which may be exercised directly by home care providers and which provide further access to external appeals.

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 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 same legislation is being sponsored in the Senate by Senator Neil Breslin (D-Delmar), whose bill is S.5472-A.

For more details about the bill, including provisions that affect all health providers, view the summary sheet at: www.hca-nys.org/documents/ConsensusBillManagedCareReforms.pdf.

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