

For Immediate Release: July 16, 2009

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State Senate Passes Landmark Managed Care Reform Bill With HCA-backed Enhancements to Expedite Home Care Access

Following Assembly passage in June, Governor's signature expected on program bill originated by SID

The state Senate today passed a vital managed care reform bill (S.5472-A), sponsored by Senator Neil Breslin (D-Delmar), that would improve access and coverage for home health and other critical services.

Originating as a program bill by Governor Paterson's administration through the State Insurance Department (SID), companion legislation was sponsored by Assemblyman Joseph Morelle (D-Irondequoit) and passed the Assembly on June 23 as A.8402-A.

Statement from HCA President Joanne Cunningham on the bill

"A defining hallmark of our home care system is its essential role in providing needed care at home after a hospitalization. Home care services allow patients to leave the hospital setting sooner while lowering their risk of post-acute health complications that may needlessly hasten their return to a hospital bed instead of allowing them to remain safely at home to recover."

"Through sensible reforms to the managed care utilization review process, this legislation ensures timely and expeditious authorization for home health services explicitly covered by managed care plans to prevent unnecessary hospitalization or the risk of a worsening health condition when patients return home from the institutional setting."

"The health care community as a whole applauds the Senate and Assembly for passing such landmark reforms that: help to facilitate the hospital discharge planning process for patients in need of home care services; ensure a safe and appropriate plan of care for patients recovering at home; and allow home care professionals to meet their mission of providing necessary, quality care to patients at home."

"Given the significant benefits of this bill – as well as the broad input, support and consensus from a diverse spectrum of stakeholders – we strongly urge its immediate passage into law."

(Read HCA's press release following the Assembly's passage of the companion bill at: http://www.hca-nys.org/press_releases/ManagedCareBillPassesAssembly.cfm.)

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HCA's advocacy specifically led to the inclusion of the following major provisions in S.5472-A/A.8402-A:

- ***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.)

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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