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HCA Applauds Legislature's Rejection of Home Care Budget Cuts

Home Care Association of New York State (HCA) President Joanne Cunningham today praised the Legislature's restoration of vital home health care funding.

"New York's legislative leaders have followed through in advancing proposals to reject damaging cuts to home health care," Cunningham said. "The restoration of our basic reimbursement structure is essential to ensuring that New York's most vulnerable patients receive the services they need in a setting best suited to their health and recovery – their homes."

In its one-house Budget resolution, the Senate restores:

- \$24 million (state/federal shares) in proposed cuts to home health care Administrative & General (A&G) reimbursement.
- \$26 million (state/federal shares) in cuts the Executive proposed through a freeze of the Medicaid reimbursement base year at 2005 levels and through a reduction in the reimbursement rate ceilings for each home health care service provided by a certified home health agency (CHHA).
- Half of the Executive's proposed \$28 million (state/federal shares) in cuts to the Medicaid Trend Factor for CHHAs, personal care programs and long term home health care programs (LTHHCPs). (The Trend Factor is an inflationary adjustment to bridge the gap between a two-year-old cost profile used in establishing Medicaid rates and present-day, actual costs.) The Budget resolution is silent on restoration of the premium adjustment for managed long term care plans (MLTCs).

Still under consideration is a restoration of \$16 million for the Upstate/Rural/Long Island home health care infrastructure rate component.

In its one-house Budget bill, the Assembly:

- Restores half of the funding that would be cut under the Executive's proposed reimbursement ceiling rate reductions for home health care services.
- Accepts the Executive's proposed cuts to the Trend Factor and A&G; however, the Assembly bill lessens the impact of the A&G proposal by mirroring legislative language developed by Assembly Health Committee Chairman Richard Gottfried in collaboration with HCA to carve out from the A&G cost cap certain expenses directly related to patient care. (The A&G is a catch-all reimbursement category for critical services not covered elsewhere in the reimbursement structure, including case management, outreach and assessment, technology investment and corporate compliance measures.)
- Restores 15 percent of the premium rate adjustment for MLTCs (for a cut of 35 percent, rather than the 50 percent cut proposed by the Executive).

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