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**Federal News**

**Congressional Budget Deal:** On February 9<sup>th</sup>, President Trump signed a two-year budget bill, the [Bipartisan Budget Act of 2018](#), which had been passed by a bipartisan Congress (Senate: 71-28; House: 240-186) earlier in the day. The continuing resolution increases both domestic and military spending (by \$195 billion and \$131 billion respectively) for FY2018 and FY2019; it also added funding for disaster relief and raised the debt ceiling through March 2019. The agreement was projected to contribute \$1.2 trillion to the federal deficit. Congress now has until March 23<sup>rd</sup> to pass an appropriation bill, identifying specific funding levels for programs for the remainder of FY2018, to make the agreement permanent, or another government shutdown could occur.

The spending package included many healthcare provisions;<sup>1</sup> those most specifically relevant to older adults include:

- Repeal of the Independent Payment Advisory Board (IPAB), which was a controversial reform of the ACA designed to help control Medicare spending by introducing recommendations if Medicare spending per beneficiary was projected to grow faster than certain benchmarks;<sup>2</sup>
- Repeal of outpatient therapy caps for Medicare Part B beneficiaries, retroactive to Jan. 1;
- Two-year extension of funding for outreach and education to low-income Medicare beneficiaries through the state health insurance assistance programs (SHIP, also known as HIICAP in New York);
- Prescription drug cost relief starting in 2019 by accelerating the closing of the Medicare Part D “donut hole” through larger discounts;<sup>3</sup> and
- Enacts the Senate’s “Creating High-Quality Results and Outcomes Necessary to Improve Chronic ([CHRONIC](#)) Care Act”, which was passed in September 2017 and includes the following provisions:
  - Extends the [Independence at Home](#) demonstration program, which aims to deliver comprehensive primary care services at home for Medicare beneficiaries with multiple chronic conditions, for an additional two years through 2021;
  - Permanently authorizes funding for Medicare Special Needs Plans (SNPs) for institutionalized beneficiaries (I-SNPs), dual eligible beneficiaries (D-SNPs), and chronically ill beneficiaries (C-SNPs); and
  - Makes Medicare coverage of telehealth more flexible.<sup>4</sup>

<sup>1</sup> Funding extenders for the Dept. of HHS, which included the majority of healthcare provisions, were included in the [Advancing Chronic Care, Extenders, and Social Services \(ACCESS\) Act](#).

<sup>2</sup> Those benchmarks have yet to be met, and the IPAB board members have never been appointed.

<sup>3</sup> The Medicare Part D coverage gap (informally known as the donut hole) refers to the period when a beneficiary is required to pay increased out-of-pocket costs of prescription medication. It lies between the initial coverage limit and the catastrophic-coverage threshold. The [2018 Medicare Part D standard benefit](#) generally starts the coverage gap after \$3,750 in total drug costs have been paid until beneficiary total out-of-pocket spending reaches \$5,000.

<sup>4</sup> This includes covering telehealth for home dialysis and stroke patients, as well as allowing Medicare Advantage plans and accountable care organizations (ACOs) to begin offering a telehealth benefit to individuals with chronic diseases starting in 2020.

Additional healthcare provisions of importance include:

- Delays cuts to the Medicaid Disproportionate-share hospital (DSH) payments, which were originally supposed to be implemented under the ACA, for another two years;<sup>5</sup> and
- More than \$7 billion for two years of funding for community health centers, which provide healthcare services to approximately 27 million Americans regardless of ability to pay.

To help pay for some of these provisions, the bill reapportions some funds from the ACA's Public Health & Prevention Fund (which helps pay for public health initiatives such as preventing diabetes, heart disease, and cancer) and increases premiums for Medicare beneficiaries with income of more than \$500,000 a year (\$750,000 for couples filing joint returns).

**Executive Budget:** As the President is required to submit a budget proposal to Congress for every fiscal year, on February 12<sup>th</sup>, the Trump administration released its proposed FY2019 budget—[Efficient, Effective, Accountable: An American Budget](#)—which outlined a \$4.4 trillion budget for FY2019 that was projected to add \$7 trillion to the federal deficit over the next decade. Although this proposed budget is unlikely to be enacted, especially given that it does not correspond entirely with the spending bill that Congress passed the week prior, it does shed light on the Trump administration's priorities for the future.

The budget would severely cut domestic programs (including many programs impacting older adults) in favor of increases in military/homeland security and infrastructure spending. More specifically, it proposes to:

- Cut spending on healthcare programs (including Medicare and Medicaid) and other federal entitlement programs by at least \$1.8 trillion. Budget Director Mulvaney also proposed using approximately \$11 billion to reform the way health entitlement programs were funded; in essence, these mandatory programs—which are now funded automatically and without congressional approval—would instead be funded with discretionary funds that could be cut or redirected in the future;
- Reduce funding for senior-specific affordable housing programs run by the Dept. of Housing and Urban Development (HUD);
- Eliminate 22 programs and agencies, including the Agency for Healthcare Research and Quality (AHRQ), which studies data in order to improve the efficiency of healthcare, and reduce funding for other agencies such as HHS' Office of the National Coordinator for Health Information Technology (ONC), which coordinates health IT policy;
- Add an additional \$13 billion in new spending to address the opioid crisis through prevention, treatment, and recovery support services and mental health programs; and
- Once again attempt to repeal the ACA, while changing funding for Medicaid into per capita caps and block grants.

**ACA Status:** Now that the ACA's individual mandate has been repealed, states have been contemplating different approaches in response to federal pressures. Nine states are considering the implementation of their own individual healthcare insurance mandate, while 20 conservative states are suing the federal government under the opinion that the ACA is now unconstitutional.

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<sup>5</sup> Cuts to DSH payments were projected to cost New York hospitals \$330 million this year.

In the meantime, the Trump administration continues to pursue additional avenues to weaken the ACA. On February 20<sup>th</sup>, HHS released [proposed regulations](#) that would expand access to short-term (“limited-duration”) insurance plans, which are meant to cover limited gaps in coverage. These plans may offer cheaper premiums, but usually require higher out-of-pocket costs; in addition, they are not subject to many of the ACA regulations, e.g., they do not have to provide essential services and can deny coverage or charge higher premiums based on pre-existing conditions. Previously, the Obama administration only allowed these plans as 90-day options; the new regulations would now allow individuals to purchase these plans for up to 364 days. Many fear that healthier individuals would try to use these short-term plans as regular sources of coverage, therefore leaving the ACA marketplace, resulting in higher premiums for older and sicker individuals who remain. In fact, a [recent study](#) projected that, due to these recent changes by Republicans and the Trump administration, approximately 2.5 million people would leave the ACA marketplace in favor of these short-term plans, resulting in premiums for plans on the marketplace likely increasing by 18 percent on average in 2019.<sup>6</sup>

**CMS Updates:** As previously mentioned, the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 requires CMS to remove beneficiaries’ Social Security Numbers from their Medicare cards by April 2019 to mitigate risk of medical identity theft. Starting April 2018, CMS will begin mailing new Medicare cards to all Medicare beneficiaries in seven waves, [based on geographic regions](#); all beneficiaries should receive a new card by April 2019. Beneficiaries will be able to check the status of card mailings in their area on [Medicare.gov](#), but CMS has released several materials for [partners](#) and [consumers](#) to better understand the new card process as well.

**Federal Legislation:** On February 15<sup>th</sup>, the House passed the [ADA Education and Reform Act](#) (225 to 192), which proposes to reform the Americans with Disabilities Act (ADA); the Senate still needs to vote on the legislation before any changes would take effect. The bill would limit use of civil actions under the ADA, as well as promote the use of alternative dispute resolution mechanisms rather than litigation. In addition, it would require the federal government to establish “a program to educate state and local governments and property owners on strategies for promoting access to public accommodations for persons with disabilities.”

Towards the end of February, there was an increase in bipartisan Congressional activity focused on stemming the use of opioids in Medicare. A bipartisan group of senators introduced [legislation](#) (a follow-up to the 2016 Comprehensive Addiction and Recovery Act, or CARA) that aims to limit the initial prescribing period for opioids and increase recovery services and availability for addicts. The House Ways and Means Committee also asked stakeholders to submit information by March 15<sup>th</sup> –on overprescribing, data tracking, treatment, communication and education – prior to drafting its own legislation. This is especially important for older adults as it was [reported earlier last year](#) that one in three Medicare Part D beneficiaries received a prescription opioid in 2016.

## **State News**

**State Budget:** The budget is still being deliberated by the State Legislature; the budget must be approved by the final day of the NY state fiscal year, March 31<sup>st</sup>. In early February, the state DOH outlined those [Medicaid-specific components](#) of the Governor’s budget proposal for the State FY 2018-19. Of importance:

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<sup>6</sup> The Trump administration, rather, has projected that only 100,000 to 200,000 people would choose to enroll in the short-term plans, leading to premiums rising \$2 to \$4 per person in the ACA marketplace.

- 1) Long Term Care Initiatives (resulting in \$180 million projected Medicaid cuts) by:
  - a. Limiting MLTC eligibility to those individuals who require nursing home care for six months or less (-\$74 million);
  - b. Allowing MLTC plans to eliminate contracts with poor performing social adult day (SAD) providers, adjusting member utilization as necessary, and executing any other reasonable approaches to better utilize the benefit (-\$28 million);
  - c. Reducing allowable administrative costs for MLTC plan capitated payments (-\$19 million);
  - d. Limiting the number of LHCSA contracts with MLTC plans to a maximum of 10 per plan (-\$14 million); and
  - e. Carving out the transportation benefit from MLTC and adult day health care (ADHC) programs, and instead requiring the regional transportation managers contract directly with the state to deliver care on a fee-for-service basis (-\$20 million);
- 2) Penalizes Medicaid Managed Care plans by 0.85% in their monthly capitated reimbursement rate if they fail to submit a Partnership Plan with a Performing Provider System (PPS) by July 1, 2018;
- 3) Expands the authority of OMIG to recover overpayments to Medicaid managed care organizations (MCO), as well as subcontractors and providers, and requires MCOs to report potential fraud, waste, or abuse (-\$30 million); and
- 4) Addressing the financial impact of the minimum wage increase by contributing \$703 million in state funds in 2018-19 (\$682M towards home care), growing to over \$1 billion (\$995M towards home care) in 2019-20. Funds should be used to support direct salary costs and related fringe benefits.

**DSRIP:** In late February, it was announced that the current NYS Medicaid Director, Jason Helgerson, will be stepping down from his position effective April 6<sup>th</sup>; to date, no official replacement has been identified. Since his arrival in 2011, the Medicaid program has grown to cover nearly 6.6 million people—**about one-third of the state's population**—at an annual total cost of approximately \$68 billion. Helgerson spearheaded the Medicaid Redesign Team process (with a goal of introducing care management for all and reducing per-beneficiary spending, which recently was at a [13-year low](#)) as well as New York's \$8 billion DSRIP program (which allowed the state to reinvest some of its savings back into Medicaid).

Starting February 19<sup>th</sup>, DOH resumed its practice of sending new Medicaid beneficiaries explanations of the DSRIP program efforts, and how Medicaid data will be used to improve patient care. The [letters](#) will also give these new beneficiaries the option to not have their data shared by the PPS with provider partners (to "[opt-out](#)"). Approximately 2 million letters will be sent to those Medicaid beneficiaries who became eligible since the [last mailing in August 2016](#); mailings will continue monthly through 2019.

## PPS Announcements and Trainings

- 1) **Mount Sinai PPS:** MSPPS has developed a [social determinant of health \(SDH\) screening tool](#) in collaboration with some of its partners. The tool addresses several needs - including food/nutrition, housing, income, literacy, transportation, safety, and health care. Following a pilot over the past year, MSPPS plans to standardize and expand the screening tool across the network.
- 2) **NY Presbyterian PPS:** NYP's [CBO Impact Fund grant](#) received 14 proposals from 11 community partners, totaling nearly \$2.2M in requested funding, in the areas of behavioral health access and care coordination, utilization reduction, and primary care initiatives. Finalists will be announced soon, with contracts expected to be implemented by end March 2018.
- 3) **Bronx Health Access:** Last April, BHA awarded grants to support eight CBOs in addressing social needs—such as food insecurity, lack of affordable housing, limited opportunities for high-quality early childhood education, and social isolation—in the Bronx. BHA plans to issue another call for grant proposals later this spring, welcoming submissions from PPS members who are either non-Medicaid-billing or who are seeking support for non-reimbursable services.

Throughout the month of February, DOH released the following documents offering further guidance and information regarding the state's implementation of value-based payment (VBP):

- VBP Frequently Asked Questions (FAQs) – [Medicaid Advantage Plus \(MAP\) and Fully Integrated Duals Advantage \(FIDA\) Plans](#), and [Programs of All-Inclusive Care for the Elderly \(PACE\)](#);
- 2018 VBP quality measure sets for [MAP](#), [FIDA](#), and [PACE](#); and
- 2018 VBP Arrangement Fact Sheets for the [Total Care for the General Population \(TCGP\)](#), [Integrated Primary Care \(IPC\)](#), [Health and Recovery Plan \(HARP\) Subpopulation](#), [HIV/AIDS Subpopulation](#) and [Maternity Care Arrangements](#).
- In addition, on February 20<sup>th</sup>, DOH held a stakeholder meeting to discuss [MLTC VBP Level 2 for Partially Capitated Plans](#). Feedback and comments on the materials were due March 2nd and will be used to inform strategy decisions.

### Local News

**Nursing Homes:** On February 21st, it was reported that Bronx-based CenterLight Health System had entered into an agreement to sell its Margaret Tietz Nursing and Rehabilitation Center in Jamaica, Queens, to for-profit operators for \$41 million. This would leave CenterLight with only one nursing home (in addition to home care and other community-based services for the elderly) in its system. The NYSDOH's Public Health and Health Planning Council must still approve the [certificate-of-need application](#) before the deal can proceed.

In addition, OneBrooklyn announced that it had received approval from the state Public Health and Health Planning Council to officially add two nursing homes and two clinics under its umbrella system. One Brooklyn—made up of Brookdale University Hospital Medical Center, Interfaith Medical Center, and Kingsbrook Jewish Medical Center—will now be the active parent of Brookdale's 440-bed Schulman & Schachne Institute for Nursing and Rehabilitation and Interfaith's 446-bed Rutland Nursing Home, as well as two of Brookdale's Article 28 clinics. This helps to further integrate Brooklyn's hospitals, which joined to take part in Governor Andrew Cuomo's [\\$700 million project](#) to improve healthcare in central and eastern Brooklyn. In addition

to the capital funding, the three hospitals are budgeted to receive \$250 million in operating support during the state's current fiscal year, which ends March 31.

**Mental Health:** As part of ThriveNYC, the NYC Department of Health and Mental Hygiene (DOHMH) [recently announced](#) that an additional \$5 million will be invested annually, through 2020, in the mental health first aid (MHFA) training program. Funding will be used to hire 39 full-time trainers and 19 outreach coordinators, as well as for training materials and public awareness campaigns. MHFA training is a free, one-day program that teaches people how to identify, understand, and respond to individuals showing signs of mental distress; nearly 50,000 New Yorkers have been trained since the program's launch in December 2015.

**Community Health:** NYC's DOHMH recently made available its [NYC Neighborhood Health Atlas](#), which provides data on demographics and 100 different health/social measures for 188 local communities. Relatedly, the [Siena College Research Institute](#) released results from their public opinion survey of NYS residents about the well-being of their communities.

### **Did you know...**

... February was [Heart Health Month](#)? About 1 in 4 New Yorkers has high blood pressure (hypertension), which can lead to heart disease, stroke, kidney failure and other serious health problems. Learn more about [programs and resources](#) to help prevent or manage hypertension.

...that a [new study](#) offered evidence that regular exercise may slow cognitive decline and dementia?

... this year's flu season has resulted in the highest number of hospitalizations ever, according to the [CDC](#), with the highest rate among people 65 years and older? On February 8<sup>th</sup>, [Governor Cuomo and DOH Commissioner Dr. Zucker](#) authorized emergency-assistance funding to NYS counties to help them increase access to the flu vaccine in order to better address the epidemic. In addition, on February 26<sup>th</sup>, [DOHMH announced](#) a collaboration with local pharmacies to offer 1,000 vouchers for flu shots.

### **Suggested Reading**

**[A Complete Guide to Health Insurance Coverage for Older New Yorkers 2018:](#)** DFTA's Health Insurance Information, Counseling, and Assistance Program (HIICAP) offers this free resource – the first annual edition – in order to answer older New Yorkers' questions about health insurance coverage. Visit the [HIICAP website](#) for additional versions available in Spanish, Chinese, and Russian, as well as other related information.

**[Medicaid Assisted Living Services: Improved Federal Oversight of Beneficiary Health and Welfare Is Needed:](#)** The Government Accountability Office (GAO) released this January 2018 report examining state spending and coverage of Medicaid-funded assisted living services, as well as oversight by CMS and state Medicaid agencies. The report found that, despite more than \$10 billion being spent nationally (in 48 states) in 2014 for more than 330,000 beneficiaries, federal oversight was limited due to gaps in state reporting.

**[Improving Oral Health Access and Services for Older Adults:](#)** The Association of State and Territorial Dental Directors (ASTDD) released a February 2018 white paper on oral health for older adults, providing an overview of the barriers to accessing oral health care and dental insurance.

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*Ask us anything! Please let us know if there is anything more you'd like to know about healthcare reform. Email Meghan, DFTA Division of Planning and Technology, at [MShineman@aging.nyc.gov](mailto:MShineman@aging.nyc.gov).*

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## **NOTEWORTHY ACRONYMS & DEFINITIONS**

*ACA* = Affordable Care Act (also known as Obamacare)

*CBO* = Community-based Organizations. DOH defines CBOs by the following tiers:

*CMS* = Centers for Medicare & Medicaid Services

*DSRIP* = Delivery System Reform Incentive Payment (DSRIP) program

*HHS* = U.S. Department of Health and Human Services

*NYSDOH* = New York State Department of Health

*PPS* = Performing Provider System

Value-based payment (VBP): payment based on quality of healthcare, rewarding value (keeping people healthy) rather than over volume (number of services provided).