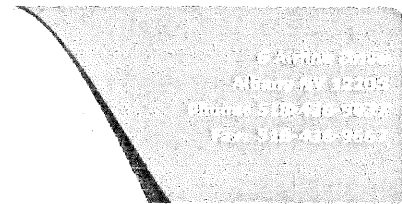


*To advance the success of the  
home medical equipment providers  
through excellence, advocacy  
and improved patient outcomes*



**This is Submitted Budget Testimony Regarding the 2016-17 Executive Budget Proposal**

**Submitted by Kim Voelker, Association Manager**

**January 25, 2016**

Thank you for this opportunity to submit written testimony to the Health and Medicaid Joint Legislative Budget Hearing. The New York Medical Equipment Providers (NYMEP) is a statewide organization representing 120 providers of home medical equipment. The industry is concerned about the unintended impact of previous year budgets and Medicaid Redesign on consumers' access to appropriate home medical equipment

**DSRIP and Transformation**

The DSRIP materials developed by the Administration and submitted to the Centers for Medicaid and Medicare Services (CMS) emphasize how community based healthcare is central to the State's health care delivery system and payment reform efforts. However, the resources have not followed the rhetoric. NYMEP is deeply concerned that not only are there insufficient funds being distributed to include home medical equipment providers ability to affirmatively participate in reform efforts through Performing Provider Systems (PPS'). In addition, there are "hidden" cuts that are undermining the ability of HME providers to meet day to day operational expenses. Those "hidden" cuts include the liabilities organizations are carrying due to the closure of Health Republic, the proposed minimum wage increase without funds available to meet the mandate, and the unintended consequences of last year's cut to the dually eligible co-pays, which is proposed again in this year's Executive Budget for expanded implementation.

It is therefore critical that the State make funds available to support adequate fiscal

viability of HME providers to ensure their ongoing participation in transformation efforts. Because of the relatively small margins of operation, what may appear to be a small amount of increased costs or lost funding, in fact represents a large percentage of a small provider's budget and severely impact their bottom line.

### **REQUESTS:**

#### **1 Mandate HME participation and payments in PPS'**

Transformation of New York's healthcare delivery and payment system through DSRIP, and related initiatives including SHIP and the transition to Value Based Payment, is a massive undertaking which relies patients to be settled and supported in their homes or to be receiving appropriate supports, like asthma equipment, to prevent hospitalizations. However, to-date, HME providers have yet to receive any meaningful funding under DSRIP compared to total percentage of dollars available to PPS Leads. Neither are the proposed funding streams designed to support adequate reimbursement to these critical healthcare partners. New York State is relying on the work of the community-based healthcare provider sector to transform the State's healthcare delivery system, yet has adequately monitored whether an equitable investment is planned for the sector to support the work.

#### **2 Restore the Dually Eligible Co-Pay Cut**

HME was impacted by last year's proposal to limit the payment for dually eligible recipients to what would be paid under Medicaid. This cut is proposed again for additional Part B providers this year. However, even Medicare codes that do not have a Medicaid fee schedule have been impacted by this cut. The unintended consequence is that Medicaid is denying payment on claims and DME providers are losing the full 20% co-pay on codes that are never covered by Medicare, but necessary for quality patient care. We urge the Legislature to limit the co-payment limit for only codes that are covered by both Medicare and Medicaid and not eliminate the ability of dually eligible patients to access appropriate Medicaid equipment.

#### **3 Provide Legislative intent for Authority for a NYS Incontinence Bid**

This legislative approved cost-containment initiative 4 years ago. It has not yet been implemented, but the industry requests clarification as to whether the intent was to

impact all Medicaid programs (Managed LTC, Medicaid Managed Care, Medicaid FFS, Any bundled payments for Hospitals and Nursing homes).

