



New York State Coalition for the Aging, Inc. Position Statement - Medicaid Redesign 2011

Medicaid cuts – NYSCA is advocating the important role community-based services play in decreasing hospital admissions, nursing home placement and other costly Medicaid services.

- New York only spends approximately 39% of its Medicaid Long-Term Care spending in the community; and only 26% in the community for older individuals and adults with physical disabilities.
- The budget situation provides an opportunity to do more to rebalance the system from institutional to home and community based services.
- New York could apply for a Balance Incentive Payment Program grant. This new opportunity in the Affordable Care Act would provide New York with an enhanced federal Medicaid match of 2% for non-institutional services. While CMS is still developing guidance, this could potentially provide New York with upwards of \$800 million in additional federal funding. The program will become available in October, but New York should begin developing a stakeholder planning process to develop a proposal.
- New York could also work with CMS to expand its Money Follows the Person Demonstration grant to assist more individuals with transitioning from nursing homes to the community. This would also provide much additional federal assistance to the state and work in conjunction with the Balancing Incentive Payments Program.
- New York could even consider applying for another option, Community First Choice option, which would bring an additional 6% enhance federal Medicaid match.
- Additional federal Medicaid funding in the form of federal matching dollars creates jobs and helps stimulate the economy.
- Investing in Home and Community Based Services is more cost effective. Research clearly supports that overtime states that have invested more in Home and Community Based Services are better able to control costs and growth.

- Alternatively, cutting Home and Community Based Services would likely result in much more costly placements in nursing homes and other institutional settings. Cuts could also potentially result in costly Olmstead lawsuits for the state.
- Cutting Home and community Based Services would also place burdens on families and informal caregivers, which have implications for business and state economies. Businesses lose an estimated \$33.6 billion annually because of demands that caregiving places on full-time employees. Additional burdens brought by cuts would contribute to additional losses.

It is important that community-based service providers be part of the Medicaid redesign process as we have cost-effective programs to offer the state for both Medicaid and non-Medicaid eligible seniors.

Contact your State Representatives today – Discuss the Issue

For more information:
Joanne Macklin
NYS Coalition for the Aging, Inc.
PO Box 522
Voorheesville, NY 12186
P/F: (518) 765-2790
E: Joanne@coalitionforaging.org
W: www.coalitionforaging.org

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Support Community Based Services**