



Debunking the Myths of Managed Care

February 2023

Dear Governor Hochul,

By now you have no doubt heard the collective disappointment of many in the I/DD community about the level of funding in the 2024 Budget. While we share the concerns regarding funding, we are writing to express our disappointment in the Article VII proposal to extend for another 5 years, the authorization for managed care for I/DD. As we stated in our last letter to you, we believe we have spent enough time and money on this for over a decade and the pursuit of Managed Care has prevented any practical efforts to make system improvements. **We ask that you end it, rather than extend it.**

Guidehouse, the outside consultant hired to evaluate Managed Care for OPWDD, has issued its initial report and unfortunately it reads more like a marketing brochure than an objective evaluation.

The Managed Care Assessment Initial Report fails to include sources that offer a less optimistic point of view of Managed Care. Our November 2022 letter included an example from the [New York Times](#). Here are two more from Deloitte:

- The Texas Legislature paid Deloitte for a comprehensive survey of [Managed Care for Long Term Supports and Services](#) (MLTSS) for people with DD in the US. The conclusion was, no savings: "increased administrative expenditures outweighs savings".
- New York State commissioned Deloitte to perform an economic [analysis](#) of what would happen if NY adopted MLTSS. The transition was estimated to cost \$1B. After transition, the costs would be increased by \$200 million per year, forever after.

Perhaps even more concerning is the positive review of Partner's Health Plan(PHP), the FIDA/IDD demonstration project completing year 7 of its original 5 year endeavor.

- After almost seven years, PHP has achieved less than one-third the enrollment that was projected for YE 2018. The enrollment has never surpassed approximately 1 out of 12 of the eligible population and the Dec 2022 enrollment of 1685 members was less than the Dec 2020 peak enrollment of 1757.
- Over 900 people disenrolled thru 2022 or approximately 1 out of 4 who did enroll later disenrolled.
- The positive Guidehouse review references a generally positive review conducted on behalf of CMS by RTI International. Although stating that the low enrollment prohibited valid analysis, RTI never-the-less concluded that the low disenrollment rate that was reported to them (a rate that, in fact, is much higher than most managed care plans) indicated a satisfied membership.

It is important that this evaluation and any other inquiries examine the very real concerns that we have regarding the performance of PHP. How much has it cost NYS (above the fee-for-service system)? How much will it cost to continue this FIDA-IDD demonstration? What enhanced value has PHP provided to its members? Why has it attracted so few members? Do the metrics that are cited in the RTI report provide a valid evaluation of this program?

We understand that managed care promises to achieve not only the Triple Aim of CMS but offers a way to simplify the oversight and utilization of a service system that faces ever growing challenges. We understand that Medicaid Managed Care (including I/DD) is promoted with the best of intentions. We cannot ignore existing data or plan for our children on promises and intentions. We believe that it is time to get to work on practical efforts to fix what is broken. We do not have the luxury of continuing this decade-long search for a Holy Grail. **END IT – DON'T EXTEND IT.**

Respectfully submitted on behalf of Families and Self-Advocates Representing People with Intellectual and Developmental Disabilities across New York State

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