

DFS Announces 2018 Health Insurance Rate Increases

Last week, the Department of Financial Services (DFS) [announced](#) the 2018 health insurance rates for New York individual and small group markets, including rates for the NY State of Health ([NYSOH](#)). According to the press release, DFS reduced insurers' requested 2017 rate increases by more than 3.8% overall.

In the small group market, which covers over 1 million enrollees, insurers requested an average rate increase of 11.7%. DFS reduced the requested rate increases to an average of 9.3% for 2018. In the individual market, which covers over 350,000 enrollees, DFS reduced insurers' total weighted average increase requested for individuals from 17.7% to 14.5%.

DFS also recognized that Underlying medical costs continue to be the main drivers of premium rate increases. Drug costs account for the largest share of medical expenses (more than 26%), with specialty drug costs increasing about 49 percent. Inpatient hospital costs account for the second largest share of medical expenses (19%), followed by physician specialty services (12%) and diagnostic testing/lab/x-ray (10%).

In making their 2018 rate determinations, DFS recognized that the current federal administration continues to threaten the ACA's Cost Sharing Reduction ("CSR") subsidies for insurers. In light of the ongoing uncertainty regarding CSR payments by the federal government, DFS granted an additional rate factor based on information that insurers had provided to DFS in May 2017 that estimated potential funding loss. The additional factor only applies to the individual rates of silver plans. The average additional adjustment to account for loss of CSR funding was 0.6%.

The next NY State of Health open enrollment period begins on November 1, 2017 for coverage starting on January 1, 2018.

VBP Update

Monthly Update on VBP QIP

Last Thursday, DOH staff provided the monthly update on VBP QIP. Staff provided an update on Statewide benchmark Sepsis data. This data was expected to become available August 12, however, it will not be available until the middle of September. As a result of the delay, DOH has agreed to treat this as a P4R measure for the quarter instead of a P4P measure. The State still believes this will only be a one-time issue and does not expect any future delays with the Sepsis data.

Staff announced that the program was recently expanded to add one new facility—Jamaica Hospital, of Queens. There are now 22 facilities in the program. Funding amounts for Jamaica Hospital, Nassau University Medical Center and the NYC Health and Hospitals Corporation have yet to be announced.

Staff discussed that preliminary budget and transformation plan updates are due to DOH by August 31, 2017. Background on managed care rate setting was also discussed, with DOH noting that the January 2017 managed care rate package will include funding to address any shortfalls or overages for DY2. VBP QIP staff is working with DOH's Division of Finance and Rate Setting to determine how credits earned by facilities will offset penalties. This will be discussed in future webinars.

Two weeks ago, DOH's contracting group provided feedback to contracting MCOs and VBP QIP facilities on the status of Level 1 VBP contracts that were submitted to meet the June 30, 2017 P4R requirement. Revisions and updates, including updated certification and contract statements are due back to DOH by September 8, 2017. DOH's contracting office has committed to making final review determinations by September 29, 2017, though indicated that "off-menu" contracts may take DOH additional time to review.

According to Staff, the date of the next update webinar remains TBD, however the PowerPoint indicated it has been scheduled for Wednesday, September 20. The PowerPoint should be posted to the [VBP QIP webpage](#) sometime in the near future. DOH also announced that the next round of VBP Boot camp Sessions will begin October 10, in Albany.

Re-registration Needed for Value Based Payments- Social Determinants of Health Webinar

Due to high registration volume, the Department of Health has switched the platform for the Value Based Payments - Social Determinants of Health webinar being held on **Friday, August 25** from **9:00 AM - 11:00 AM**. As a result, attendees will need to re-register using a new link, [here](#).

The Value Based Payments - Social Determinants of Health webinar will outline the Value Based Payment (VBP) Roadmap requirements related to Social Determinants of Health (SDH) and Community Based Organizations. The purpose of this webinar is to initiate dialogue and begin collaboration between the Department of Health, Office of Health Insurance Programs, plans, providers, and other VBP stakeholders related to developing VBP SDH interventions.

Guidance for Health Insurance Coverage for Services Provided to Transgender Individuals

Last week, the Department of Financial Services ("DFS") issued a new Circular Letter ([Insurance Circular Letter No. 12 \(2017\)](#)) to all insurers authorized to write accident and

health insurance, article 43 corporations, health maintenance organizations (“HMOs”), student health plans, and municipal cooperative health benefit plans.

The Circular Letter reinforces the DFS position which precludes insurers from denying claims for a health service provided to an individual because the individual is seemingly not of the gender to whom the service is typically or exclusively provided without seeking additional information to determine whether the service was appropriately provided to the individual. A health insurer who receives a claim from an insured of one gender or sex for a service that is typically or exclusively provided to an individual of another gender or sex should take reasonable steps, including requesting additional information, to determine whether the insured is eligible for the services prior to denying the claim.

Additionally, when processing claims for health services provided to transgender or gender nonconforming individuals, health insurers may not deny or limit health services that are ordinarily or exclusively available to individuals of one sex, to a transgender individual based on the fact that the individual's sex assigned at birth, gender identity, or gender is different from the one to which such health services are ordinarily or exclusively available.

The new guidance was issued as a result of DFS being made aware that insurers may be denying claims of transgender individuals because the gender with which the individual identifies does not match the gender of someone to whom those services are typically provided.

CBO Planning Grant Award Announced

The Department of Health has announced that the Community Based Organization (“CBO”) Planning Grant for the Long Island/Mid-Hudson Region has been awarded to The Health and Welfare Council of Long Island. The RFA for this funding was issued in December 2016.

The funding is intended to supply grants to assist CBO Consortia in planning activities to identify business requirements and formulate strategies for short-term needs as well as longer-term plans that the CBO consortium may envision for sustainability in system transformation. Overall, this will allow them to better position themselves for continuing engagement with PPSs in DSRIP projects, and consequently, value based payment and contracting.

Any questions can be sent to OHIPContracts@health.ny.gov.

Draft Transition Plan for the Children’s Medicaid System Transformation

The Department of Health has recently released a ***DRAFT Transition Plan for the Children's Medicaid System Transformation***. The draft Transition Plan, which is also subject to approval by CMS, is being shared with interested stakeholders for review and comment.

Comments are due no later than **August 31, 2017**, and must be submitted to BH.Transition@health.ny.gov, with "Draft Children's Transition Plan Comments" indicated in the subject line. All comments should indicate the section and page number to which the comment refers.

Additionally, the State will be hosting a statewide webinar on **August 24, 2017** from **3:00pm - 5:00 pm** to review the Draft Transition Plan in detail. To register for Webinar, click [here](#).

DAL 17-16: Adult Care Facility, Assisted Living Program Onsite Evaluation of HCBS Compliance

Last week, the Department of Health issued a Dear Administrator Letter ([DAL 17-16](#)) to inform Adult Care Facility ("ACF") administrators that the Department of Health, Division of Adult Care Facility and Assisted Living Surveillance (Department), and Public Consulting Group, Inc. ("PCG"), will be conducting a scheduled onsite evaluation of Home and Community Based residential settings ("HCBS"), at specifically selected ACFs, including those with Assisted Living Program ("ALP") capacity, those with pending applications for ALP beds, and those homes that have residents who receive HCBS to Medicaid recipients. The assessments are one component of New York's statewide [transition plan](#) to meet federal HCBS requirements.

As part of the surveillance, PCG and the Department will use an [assessment tool](#) to work with ACFs to determine the current level of compliance with the HCBS requirements. An evaluation of the site will include, but may not be limited to: interviews with residents and staff, review of clinical policy, billing and other relevant questions. A meeting with the provider will occur. Photographs will be taken of the facility to assist the documentation of the site visit. Some of the questions will also require PCG or the Department to view certain documents.

The DAL further indicates that once the onsite evaluation is complete, the Department or PCG will document the setting's existing level of compliance with the HCBS regulations. The Department or PCG will subsequently notify each setting of its determination, and whether further discussions or a remediation plan is needed.

ACFs will be contacted by PCG prior to the onsite visit. Onsite evaluations may take approximately 2-3 hours to complete. Failure to comply with the onsite evaluation may place facilities at risk for not achieving full compliance with the HCBS Final Rule.

Health Home Update

Transitioning Early Intervention Children to Health Home

Enrolling children who are eligible for Early Intervention and Health Homes in Health Homes Serving Children begins September 2017. Providers that submitted a Notification of Interest and can attest to their readiness to enroll EI children that are also eligible for Health Home in the Health Home program must complete the ***Early Intervention and Health Home Readiness Attestation Approval Form*** and securing all the appropriate signatures and approvals for enrollment to begin September 2017.

At any time, providers can turn in their attestation form for DOH approval, as there is no required timeframe to complete the attestation form, as this form is dependent upon the provider's readiness and confirmation from Health Homes and DOH EI that such readiness is complete.

Those providers and Health Homes that have already been approved for early enrollment of EI/HH eligible children do not have to re-attest.

Any provider, who has not already submitted a Notification of Interest, can do so at any time for the DOH review to begin. All providers interested in providing Health Home care management services to children who are eligible for both Early Intervention and Health Home must complete **both** the Notification of Interest and the attestation.

Questions should be directed to HHSC@health.ny.gov or contact the Health Home Program at the Department of Health at 518.473.5569.

Health Home Serving Children - Additional Health Home ready to serve Children

Northwell Health Solutions Health Home (Formerly Long Island Jewish Medical Center LIJ) has recently been designated to serve children effective August 1, 2017. They have been designated to service in the counties of: Queens, Nassau, and Suffolk. The [Health Homes Designated to Serve Children](#) and [Health Homes Serving Children by County](#) documents have been updated on the [Health Homes Serving Children website](#) to reflect this change.

Regulatory Update

Department of Financial Services

Establishment and Operation of Market Stabilization Mechanisms for Certain Health Insurance Markets

The Department of Financial Services recently extended [emergency rulemaking](#) creating a supplemental risk adjustment mechanism for the small group market. The changes, which relate to family tiers and using MLR instead of statewide average premium in determining risk adjustment, will result in those plans receiving federal small group risk adjustment funds receiving approximately 25-30% less in RA funds and those payers of risk adjustment funds paying 25-30% less into the RA pool. The extended emergency rulemaking contains no changes from the initial emergency adoption published in the September 28, 2016 edition of the *New York State Register*.

The Department intends to adopt the provisions of this emergency rule on a permanent basis, and previously published a notice of proposed rulemaking in the [May 3, 2017 issue of the NYS Register](#). The emergency rule is set to expire September 28, 2017.

Calendar

Thursday, September 7, 2017	Early Intervention Coordinating Council 10:15 a.m. to 3:00 p.m. Meeting Room 1 of the Empire State Plaza Convention Center, Albany, NY
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