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June 8, 2023

RE: AN ACT to amend the social services
law, in relation to determination
and approval of reimbursement rates for
managed care providers under medicaid

A.5381 (Paulin)
S.6075 (Skoufis)

MEMORANDUM IN SUPPORT

Submitted on behalf of the Blue Cross and Blue Shield Plans

The Blue Cross and Blue Shield Plans of New York strongly support enactment of this bill, which would enhance greater transparency in the Department of Health's (DOH) process of setting Medicaid managed care (MMC) rates. The bill specifically requires that DOH's MMC rate actuarial memorandum include all materials submitted by DOH to the Centers for Medicare and Medicaid Services (CMS), including actuarial certification letters; all correspondences between the State and CMS pertaining to the rates, any data, materials and methodologies considered but not used by DOH in development of the rates, and any information required to be disclosed to managed care providers or the public under federal rules. The bill further requires DOH to have their independent actuaries identify and present these materials. Finally, the bill allows for MMC plans to request a review of the actuarial soundness of the process and or methodology and requires that DOH either grant the review or explain their denial of the request in detail, in writing.

A very significant portion of New York's Medicaid program is managed by MMC plans. Under current law, MMC insurance plans receive a capitated rate, per member based on the rates and methodology utilized by DOH and then sent to CMS for approval. In 2015 the State enacted new requirements for DOH to provide a complete independent actuarial memorandum justifying the MMC rates to MMC providers 30 days prior to the submission of the rates to CMS for approval. Despite this change in statute, MMC plans are still struggling to acquire all of the requisite information from DOH to fully assess DOH's rate setting methodologies. Further, requests for greater analysis are not always met with response from the Department.

By ensuring that all pertinent information is provided to MMC plans prior to submission to CMS, this bill helps foster important information sharing and helps ensure that the rate submissions are

actuarially sound, promoting a system that can appropriately care for enrollees. Further, by requiring DOH to respond to every review request, this legislation not only bolsters greater transparency, but it also helps improve and foster an ongoing dialogue between DOH and the plans.

For all the foregoing reasons, we strongly support enactment of this legislation.

Respectfully submitted,

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