S T A T E O F N E W Y O R K

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I N S E N A T E

May 12, 2016

Introduced by Sen. HANNON -- read twice and ordered printed, and when printed to be committed to the Committee on Health

AN ACT to amend the social services law, in relation to standards and funding for health homes

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 365-l of the social services law, as added by section 37 of part H of chapter 59 of the laws of 2011, subdivision 2-a as added by section 23 of part A of chapter 56 of the laws of 2013, subdivision 2-b as amended by section 17 and subdivision 9 as amended by section 28 of part B of chapter 59 of the laws of 2016, subdivision 2-c as added by section 25 of part B of chapter 57 of the laws of 2015, is amended to read as follows:

S 365-l. Health homes. 1. Notwithstanding any law, rule or regulation to the contrary, the commissioner of health is authorized, in consultation with the commissioners of [the office of] mental health, [office of] alcoholism and substance abuse services, and [office for people with] developmental disabilities, to (a) establish, in accordance with applicable federal law and regulations, standards for the provision of health home services to Medicaid enrollees with chronic conditions, (b) establish payment methodologies for health home services based on factors including but not limited to the complexity of the conditions providers will be managing, the anticipated amount of patient contact needed to manage such conditions, and the health care cost savings realized by provision of health home services, (c) establish the criteria under which a Medicaid enrollee will be designated as being an eligible individual with chronic conditions for purposes of this program, (d) assign any Medicaid enrollee designated as an eligible individual with chronic conditions to a provider of health home services.

1-A. THE DEPARTMENT SHALL REPORT TO THE CHAIRS OF THE HEALTH AND FISCAL COMMITTEES OF THE LEGISLATURE ON OR BEFORE DECEMBER THIRTY-FIRST, TWO THOUSAND SIXTEEN AND ANNUALLY THEREAFTER REGARDING ANY HEALTH CARE COST SAVINGS REALIZED BY PROVISION OF HEALTH HOME SERVICES.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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2. In addition to payments made for health home services pursuant to subdivision one of this section, the commissioner is authorized to pay additional amounts to providers of health home services that meet process or outcome standards specified by the commissioner. SUCH PROCESS OR OUTCOME STANDARDS SHALL INCLUDE THE CORE SET OF HEALTH CARE QUALITY MEASURES FOR MEDICAID HEALTH HOME PROGRAMS PURSUANT TO TECHNICAL SPECIFICATIONS AND RESOURCE MANUAL FOR FEDERAL FISCAL YEAR 2013 REPORTING USED BY THE CENTER FOR MEDICARE AND MEDICAID SERVICES TO ASSESS QUALITY OUTCOMES AND PERFORMANCE OF HEALTH HOMES. NOTWITHSTANDING THE FOREGOING, HEALTH HOMES NOT MEETING THE PROCESS OR OUTCOME STANDARDS SHALL BE INELIGIBLE TO RECEIVE PAYMENTS OTHERWISE MADE PURSUANT TO SUBDIVISION ONE OF THIS SECTION.

2-a. Up to fifteen million dollars in state funding may be used to fund health home infrastructure development. Such funds shall be used to develop enhanced systems to support Health Home operations including assignments, workflow, and transmission of data. Funding will also be disbursed pursuant to a formula established by the commissioner to be designated health homes. Such formula may consider prior access to similar funding opportunities, geographic and demographic factors, including the population served, and prevalence of qualifying conditions, connectivity to providers, and other criteria as established by the commissioner.

2-b. The commissioner is authorized to make lump sum payments or adjust rates of payment to providers up to a gross amount of five million dollars, to establish coordination between the health homes and the criminal justice system and for the integration of information of health homes with state and local correctional facilities, to the extent permitted by law. [Such rate] NOTWITHSTANDING THE FOREGOING, A HEALTH HOME SHALL ONLY BE ELIGIBLE TO RECEIVE SUCH adjustments [may be made to health homes] IF THE HEALTH HOME HAS MET THE PROCESS AND OUTCOME STANDARDS PURSUANT TO SUBDIVISION TWO OF THIS SECTION, AND IS participating in a criminal justice pilot program with the purpose of enrolling incarcerated individuals with serious mental illness, two or more chronic conditions, including substance abuse disorders, or HIV/AIDS, into such health home. Health homes receiving funds under this subdivision shall be required to document, AND REPORT TO THE CHAIRS OF THE HEALTH AND FISCAL COMMITTEES OF THE LEGISLATURE NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY THEREAFTER, and demonstrate the effective use of funds distributed herein.

2-c. The commissioner is authorized to make grants up to a gross amount of one million dollars for certified application counselors and assistors to facilitate the enrollment of persons in high risk populations, including but not limited to persons with mental health and/or substance abuse conditions that have been recently discharged or are pending release from state and local correctional facilities. Funds allocated for certified application counselors and assistors shall be expended through a request for proposal process AND A REPORT TO THE CHAIRS OF THE HEALTH AND FISCAL COMMITTEES OF THE LEGISLATURE INCLUDING, BUT NOT LIMITED TO, THE NUMBER OF AWARDS MADE, THE GEOGRAPHIC DISTRIBUTION OF SUCH AWARDS AND HOW SUCH FUNDS WERE EXPENDED. SUCH REPORT SHALL BE PROVIDED NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY THEREAFTER.

3. [Until such time as the commissioner obtains necessary waivers and/or approvals of the federal social security act,] Medicaid enrollees assigned to providers of health home services will be allowed to opt out of such services AT ANY TIME. In addition, upon enrollment, an enrollee

shall be offered an option of at least two providers of health home services, to the extent practicable.

4. Payments authorized pursuant to this section will be made with state funds only, to the extent that such funds are appropriated therefore, until such time as federal financial participation in the costs of such services is available.

5. The commissioner is authorized to submit amendments to the state plan for medical assistance and/or submit one or more applications for waivers of the federal social security act, to obtain federal financial participation in the costs of health home services provided pursuant to this section, and as provided in subdivision three of this section.

6. Notwithstanding any limitations imposed [by section three hundred sixty-four-l of this title] on entities participating in demonstration projects [established pursuant to such section], the commissioner is authorized to allow such entities which meet the requirements of this section to provide health home services, IF SUCH ENTITIES MEET PROCESS OR OUTCOME STANDARDS PURSUANT TO SUBDIVISION TWO OF THIS SECTION.

7. Notwithstanding any law, rule, or regulation to the contrary, the commissioners of [the department of] health, [the office of] mental health, [the office for people with] developmental disabilities, and [the office of] alcoholism and substance abuse services are authorized to jointly establish a single set of operating and reporting requirements and a single set of construction and survey requirements for entities that:

(a) can demonstrate experience in the delivery of health, and mental health and/or alcohol and substance abuse services and/or services to persons with developmental disabilities, and the capacity to offer integrated delivery of such services in each location approved by the commissioner; and

(b) meet the standards established pursuant to [subdivision] SUBDIVISIONS one AND TWO of this section for providing and receiving payment for health home services; provided, however, that an entity meeting the standards established pursuant to subdivision one of this section shall not be required to be an integrated service provider pursuant to this subdivision.

In establishing a single set of operating and reporting requirements, INCLUDING STANDARDS DESCRIBED IN SUBDIVISION TWO OF THIS SECTION, and a single set of construction and survey requirements for entities described in this subdivision, the commissioners of [the department of] health, [the office of] mental health, [the office for people with] developmental disabilities, and [the office of] alcoholism and substance abuse services are authorized to waive any regulatory requirements as are necessary to avoid duplication of requirements and to allow the integrated delivery of services in a rational and efficient manner. THE DEPARTMENT SHALL ISSUE A REPORT TO THE CHAIRS OF THE HEALTH AND FISCAL COMMITTEES OF THE LEGISLATURE, NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND SIXTEEN AND ANNUALLY THEREAFTER, ON ANY REGULATORY REQUIREMENTS THAT HAVE BEEN WAIVED AND THE IMPACT OF SUCH WAIVED REQUIREMENTS.

8. (a) The commissioner of health is authorized to contract with one or more entities to assist the state in implementing the provisions of this section. Such entity or entities shall be the same entity or entities chosen to assist in the implementation of the multipayor patient centered medical home program pursuant to section twenty-nine hundred fifty-nine-a of the public health law. Responsibilities of the contractor shall include but not be limited to: developing recommendations with respect to program policy, reimbursement, system requirements, reporting

requirements, evaluation protocols, and provider and patient enrollment; providing technical assistance to potential medical home and health home providers; data collection; data sharing; program evaluation, and preparation of reports. ANY RECOMMENDATIONS ISSUED BY SUCH ENTITY OR ENTITIES SHALL INCLUDE AND BE CONSISTENT WITH THE PROCESS OR OUTCOME STANDARDS DESCRIBED IN SUBDIVISION TWO OF THIS SECTION.

(b) Notwithstanding any inconsistent provision of sections one hundred twelve and one hundred sixty-three of the state finance law, or section one hundred forty-two of the economic development law, or any other law, the commissioner of health is authorized to enter into a contract or contracts under paragraph (a) of this subdivision without a competitive bid or request for proposal process, provided, however, that:

(i) The department of health shall post on its website, for a period of no less than thirty days:

(1) A description of the proposed services to be provided pursuant to the contract or contracts;

(2) The criteria for selection of a contractor or contractors;

(3) The period of time during which a prospective contractor may seek selection, which shall be no less than thirty days after such information is first posted on the website; and

(4) The manner by which a prospective contractor may seek such selection, which may include submission by electronic means;

(ii) All reasonable and responsive submissions that are received from prospective contractors in timely fashion shall be reviewed by the commissioner of health; and

(iii) The commissioner of health shall select such contractor or contractors that, in his or her discretion, are best suited to serve the purposes of this section.

9. The contract entered into by the commissioner of health prior to January first, two thousand thirteen pursuant to subdivision eight of this section may be amended or modified without the need for a competitive bid or request for proposal process, and without regard to the provisions of sections one hundred twelve and one hundred sixty-three of the state finance law, section one hundred forty-two of the economic development law, or any other provision of law, excepting the responsible vendor requirements of the state finance law, including, but not limited to, sections one hundred sixty-three and one hundred thirty-nine-k of the state finance law, to allow the purchase of additional personnel and services, subject to available funding, for the limited purpose of assisting the department of health with implementing the Balancing Incentive Program, the Fully Integrated Duals Advantage Program, the Vital Access Provider Program, the Medicaid waiver amendment associated with the public hospital transformation, the addition of behavioral health services as a managed care plan benefit, the delivery system reform incentive payment plan, activities to facilitate the transition of vulnerable populations to managed care and/or any workgroups required to be established by the chapter of the laws of two thousand thirteen that added this subdivision. The department is authorized to extend such contract for a period of one year, without a competitive bid or request for proposal process, upon determination that the existing contractor is qualified to continue to provide such services; provided, however, that the department of health shall submit a request for applications for such contract during the time period specified in this subdivision and may terminate the contract identified herein prior to expiration of the extension authorized by this subdivision.

10. ALL HEALTH HOME CONTRACTS AUTHORIZED AND CERTIFIED PURSUANT TO SUBDIVISIONS EIGHT AND NINE OF THIS SECTION SHALL BE REVIEWED AND RECERTIFIED EVERY TWO YEARS FOLLOWING INITIAL AUTHORIZATION, AND ANY HEALTH HOME NOT MEETING THE STANDARDS SET FORTH IN THIS SECTION SHALL BE INELIGIBLE FOR RECERTIFICATION.

S 2. This act shall take effect immediately.