



**CONSUMER DIRECTED
ACTION OF NYS**
BUILDING SELF-DIRECTED POWER

**MEMORANDUM IN SUPPORT
S.1189 (Rivera)/A.2735 (Stirpe)**

Consumer Directed Action of New York (CDANY) **strongly supports** the passage of S.1189/A.2735 which creates a fiscal intermediary (FI) licensing system for providers within the consumer directed personal assistance program (CDPAP). More than 250,000 New Yorkers use CDPAP to live independently and receive critical health services at home. Yet, unlike other Medicaid services, there is little information about the program available to the public and members of the state legislature. This bill will allow the Department of Health (DOH) to individually assess FIs seeking to contract with the state to provide CDPAP and determine eligibility, rooting out those who do not meet sound criteria, providing much-needed transparency, and increasing accountability.

Present law dictates that the state must contract with only one, out-of-state FI, and that beginning April 1, 2025, all current FIs must cease operations. The process for identifying the single FI not only mandates that it be an out-of-state corporation, but the \$40 billion contract is not even subject to basic transparency and good government rules such as the Comptroller review of the contract.

Passing S.1189/A.2735 prevents the creation of a monopoly and the elimination of hundreds of providers older and disabled New Yorkers rely on to live independently in the community. It provides a common sense alternative that allows FIs that are experienced in serving New York's consumers an opportunity to continue to work with the consumers and their families with whom they have built trusting relationships with increased oversight and scrutiny to ensure CDPAP retains its better-than-99 % Medicaid billing compliance rate.

The FI application process will protect public funds and confidence by creating an open licensing process that ensures FIs have a history of complying with state and federal Medicaid laws and regulations, including electronic visit verification (EVV) and linguistic and cultural competency, a backbone of this program. DOH has the right to revoke an FI license if an FI violates the contract terms or to suspend an FI's license during an investigation.

Transitioning 250,000 consumers from more than 600 FIs to a single FI puts consumers at significant risk of service loss and disruption. A similar move by the state of Pennsylvania led to two-thirds of the consumers in the program falling through the cracks and disappearing. In New York, that would result in 160,000 older and disabled New Yorkers going without critical services. The shortage of traditional home care services to meet today's needs, and even nursing home beds, would create a crisis of enormous scale.

For these reasons, CDANY strongly supports S.1189/A.2735 and encourages its passage.