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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 91 LCM-135

Date: August 1, 1991

Division: Medical Assistance

TO: Local District Commissioners

SUBJECT: Statewide Managed Care Program Legislation
(Chapter 165 of the Laws of 1991)

ATTACHMENTS: Chapter 165 of the Laws of 1991
(Attachment not available on-line)

On June 12, 1991, the Statewide Managed Care Program Act, Chapter 165 of the Laws of 1991, was enacted. (A copy of the new statute is provided as an attachment to this LCM.) The purpose of this letter is to inform social services districts of the key provisions of the new legislation and their new responsibilities under the legislation.

This managed care initiative directs the Department to prepare a State Managed Care Plan for submission to the Governor and the Legislature by October 1, 1991. In the first plan, the Department will designate up to twenty (20) districts which will be required to submit managed care plans. After this initial designation, the Department will designate, annually, up to another twenty (20) social services districts, to develop and submit managed care plans until all non-exempt social services districts have been designated.

Social services districts are required to develop and submit a managed care plan to the Department within 180 days of being designated (by April 15, 1992 for those in the first group). An Administrative Directive is being prepared for distribution to the districts which will provide details on plan requirements and other necessary information. The Department will provide technical assistance upon request to districts in developing their managed care plan.

Regulations implementing Chapter 165 (18 NYSCRR 360.10) will be promulgated by mid-September of 1991. Districts will have the opportunity to comment on proposed regulations during the Department's regulatory clearance process.

In addition to the requirement for local district designation, there are several other key provisions of the new legislation. The statute requires that the local district managed care plan establish enrollment goals, as follows:

- o Ten percent of the Medical Assistance (MA) recipients in a district who are not exempt from participation in the managed care program must be enrolled within one (1) year of plan approval;
- o Twenty-five percent of the MA recipients in a district who are not exempt from participation in the managed care program must be enrolled within three (3) years of plan approval, and
- o Fifty percent of the MA recipients in a district who are not exempt from participation in the managed care program must be enrolled within five (5) years of plan approval.

MA recipients will be exempted from managed care participation if they have care needs best met outside of the program or are already receiving some form of managed care. Specific "good cause" reasons for exemption will be identified in the regulations currently under development.

Additionally, the new law removes all limitations on the number and aid categories of MA recipients who can be enrolled in mandatory managed care programs.

The new legislation also authorizes the Department to make grants to districts of up to \$150,000 per county (up to \$750,000 in New York City) in State Fiscal Year (SFY) 1991-1992 to aid districts in planning and developing managed care programs. Additional funding may be provided subject to availability of federal financial participation. In SFY 1991-1992, \$2 million has been appropriated for this purpose.

The Administrative Directive currently under development will provide more detailed information. In the interim, if you have any questions, please call Mr. James Wray, Division of Medical Assistance, at 1-800-342-4100, extension 3-5534.

Jo-Ann A. Costantino
Deputy Commissioner
Division of Medical Assistance