

14. PUBLIC AND VOLUNTARY HOSPITALS

Overview

This chapter describes steps being taken by the State and its LDSS partners to facilitate the transition of public and voluntary hospitals into a managed care environment. It also addresses how beneficiaries who are being served in such settings will be assured comparable services, to the extent public and voluntary hospitals are not included in their particular MCO network.

Facilitating the Transition to Managed Care

As part of the 1996 procurement, New York City and the thirty-one participating counties were given the option to identify public hospitals in their jurisdictions, with which all MCOs would be required to contract. Those counties that did identify one or more such hospitals then were permitted to withhold contract awards to any MCOs failing to enter into a contract with the designated public hospital(s). While New York City did not require all its MCOs to contract with Health and Hospital Corporation's (HHC) facilities, many did. In fact, HHC operates its own MCO in direct competition with other plans in the City. However, MCOs were required to provide all of the "tertiary" care types of services available at HHC hospitals, with many plans drawing on the vast resources of New York City's voluntary hospital network.

New York City and the other counties in the State also examined the overall quality of each MCO's network as part of their evaluation activities (see Chapter 16 for details on this process), including the presence of teaching/tertiary facilities. MCOs whose networks were found to be inadequate were issued deficiency letters and required to close identified gaps prior to qualification for contract award. By the time of contract award, each MCO had demonstrated to the State's satisfaction that its hospital network was adequate to meet the needs of the enrollee population and that the full continuum of inpatient care was available in-network.

Also, with respect to voluntary hospitals, the State removed graduate medical education dollars from MCO capitation rates effective January 1, 1996, and began making direct payments to qualifying facilities. As a result, educational funding is not affected by the transition to managed care and capitation.

Beneficiary Access

As described above, the State/County evaluation process for MCOs included a review of hospital networks, with a particular emphasis on access to the types of tertiary/referral services typically concentrated in public and/or teaching facilities. However, to the extent an MCO is unable to offer a particular service through its contracted network, it is still obligated to arrange and pay for the service through whatever means necessary, including referral to a non-network provider.

Current Status of These Facilities

As of 9/30/05, from a total of 207 non-proprietary hospitals, 99% (that is, 204) are public and voluntary hospitals that are contracted with Medicaid managed care plans. As such, the requirement for plans to contract with public and voluntary hospitals has been discontinued.

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Same.