Navigating the CDPAP Transition: What New York's Fiscal Intermediary Shake-Up Means for Home Care

Discover the implications of New York's CDPAP transition to a single statewide Fiscal Intermediary and how it affects home care providers and personal assistants.

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In April of 2024, New York Governor Kathy Hochul signed the state's 2025 budget into law – ushering in major changes for the Consumer Directed Personal Assistance Program (CDPAP). This Medicaid-funded initiative empowers individuals who are elderly, ill, or disabled to hire personal assistants (PAs) – often friends or family members – to provide the care they need at home. While consumers manage the hiring decisions, a Fiscal Intermediary (FI) handles payroll, benefits, and other administrative responsibilities.

Historically, New York's CDPAP landscape has been highly decentralized, with an estimated 600 to 700 FIs serving consumers across the state, but that model is changing fast.

From many to one: a new model for Fiscal Intermediaries

Under the 2025 state budget, New York will move to a **single Statewide Fiscal Intermediary (SFI)** model. In September 2024, the New York Department of Health (DOH) named **Public Partnerships LLC (PPL)** as the exclusive SFI. The goal? Streamline operations, reduce administrative overhead, and improve consistency.

The original transition deadline was April 1, 2025, at which point all existing FIs would be required to shut down CDPAP operations. However, as that deadline approached, the reality of such a sweeping transition proved more complicated than anticipated.

A Transition in Flux: Legal Challenges and Deadline Extensions

Early in 2025, as efforts to transition thousands of consumers and PAs to PPL's system ramped up, widespread concerns surfaced. Many individuals had not yet enrolled with PPL, creating a real risk of interrupted care and delayed PA payments.

To address the backlog, the DOH extended the transition deadline to April 30. But because former FIs had already ceased operations, PAs caught in limbo faced the possibility of not being paid at all.

In response, a federal judge issued a last-minute order delaying the April 1 cutoff, allowing current FIs to continue paying unenrolled PAs temporarily. On April 10, a preliminary injunction was signed, pushing the consumer enrollment deadline to May 15 and the PA enrollment deadline to June 6.

The deadline was later extended further to **June 20, 2025**.

Can FIs still operate after April 1?

Technically, yes, until the new deadline, and only for some consumers. The preliminary injunction outlines three scenarios:

- If **both** the consumer and PA are enrolled with PPL, PPL handles payment.
- If **only the consumer** is enrolled, the prior FI can still pay the PA.
- If **neither** is enrolled, the FI may also continue payment.

However, these exceptions are not straightforward in practice. For an FI to be reimbursed, it must have **authorization from the consumer's Managed Care Organization (MCO)** – most of which were terminated on March 31 in preparation for the April 1 switch. Many FIs reported difficulty obtaining reinstated authorizations.

What happens next?

Legal suits are ongoing. Plaintiffs have raised concerns with the court about operational and payment breakdowns. The current injunction included flexibility for further deadline extensions, and the plaintiff's attorneys may push for an extension of that registration deadline to August 15, 2025.

For many consumers and PAs alike, the transition has been anything but smooth. Missed paychecks, stalled authorizations, and confusion around roles and responsibilities continue to pose serious challenges.

The Department of Justice (DOJ) has weighed in on the transition, issuing a statement of interest regarding whether the New York Department of Health (NY DOH) is complying with federal Medicaid laws, whether it misrepresented facts about the transition, and whether patient data is being shared without proper consent. The DOJ stated that it will continue to monitor the ongoing litigation.

Additionally, bills had been introduced in both the New York State Assembly and Senate to allow more FIs to operate, as well as to permit facilitators to function as FIs. While these bills had partisan support, they did not move forward before the NY Senate adjourned on June 13, 2025.

Implications beyond New York

Consumer-directed care models like CDPAP exist in many states, though few operate at the same scale. Some states already use a single statewide FI, while others maintain a broader network. Whether New York's experience becomes a roadmap or a cautionary tale for other states remains to be seen.

One thing is clear: managing the complexities of home care payroll and compliance in such a dynamic environment requires both flexibility and precision.

How Viventium can help

As the NY CDPAP landscape shifts and employers turn to other home care programs both in New York and beyond, accurate**, adaptive payroll solutions** become more essential than ever. At Viventium, we understand the unique needs of home care providers – offering tools designed to simplify compliance, automate pay components, and ensure timely, accurate payments for every worker.

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