

**Written Testimony Before the New York State Senate
Julian Hagmann, COO, Caring Professionals, Inc.
Concerns Regarding the Mandate for a Single Fiscal Intermediary and the Impact
on CDPAP**

**Joint Committee: Senate Standing Committee on Health and Senate Standing
Committee on Investigations and Government Operations**

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INTRODUCTION

Chairman Rivera, Chairman Skoufis, Members of the Health, and Investigations and Government Operations Committee, thank you for the opportunity to testify today. My name is Julian Hagmann, and I serve as Chief Operating Officer of Caring Professionals, Inc., a Fiscal Intermediary (FI) and licensed home care services agency (LHCSA), proudly serving New York State's most vulnerable population since 1996 – That is, New York's aged, disabled and indigent citizens who the Hochul Administration and Public Partnerships LLC (“PPL”) have shamelessly targeted without regard to the consumers, or their families, or consumer's health or well-being, to enrich themselves in a money grab to put billions of dollars in their pockets. I am also the President of the Alliance to Protect Home Care, Executive Secretary for Consumer Directed Personal Assistance Association of New York State (CDPAANYS), and the previous Long Island Chapter President of the New York State Association of Health Care Providers (HCP) for 4 years.

I am here to raise critical concerns about the passage and implementation of recent legislation mandating the use of a single statewide fiscal intermediary (FI), PPL, to oversee the Consumer Directed Personal Assistance Program (CDPAP), and the impact of the foreseeable, predictable and inevitable botched transition to PPL has had, and continues to have, on consumers, caregivers, and organizations like mine. This written testimony sets forth in detail, the critically negative impact the transition from the local FIs to PPL has already had on everyone involved in CDPAP, except for PPL, the entity who was predetermined to be the single state FI despite an alleged fair request for proposal (“RFP”) process.

The provision of CDPAP, a New York State Medicaid program with a total spend of approximately \$9 billion per year, has recently changed hands from approximately 600 community-based FIs to one, single, out-of-state private-equity backed FI, PPL, with a history of failure to deliver on its obligations in other states.¹ This failure in other states was replicated in the disastrous transition in New York which has led to the unemployment of thousands of workers and disruption of services to New York's most vulnerable population. The stated goals of moving to a single FI were for consumers to have “better care, better service, at a better price” for the state. Not only were these stated goals not met, but, as everyone in the CDPAP community foresaw, despite the false misinformation propagated by PPL and its propaganda machine within the Hochul Administration, which misinformation is presently under information by the United States Department of Justice for fraud, the opposite has occurred. The single FI is not providing better care or better service, and the ultimate cost to the state will be significantly higher than what the state spent previously.

¹ See, e.g. Alliance for the Betterment of Citizens with Disabilities, *Egregious Fiscal and Operational Failures By Public Partnerships, LLC Were Predictable*, (September 2018), ABCD-PPL-Operational-Failures-White-Paper.pdf, available at: <https://www.abcdnj.org/wp-content/uploads/2025/01/ABCD-PPL-Operational-Failures-White-Paper.pdf>;

Following are the critical issues with the transition to PPL that will be addressed in this testimony:

1. The Loss of Integral Community Connections: With the loss of the 600 community FIs, the communities in which the FIs were based lost the on-the-ground connections between the FI, service providers and the consumers. The community FIs were founded by minorities and immigrants from the same communities they served, spoke the same languages, had the same cultural affiliations, and the offices were based in the local communities which they served. Despite all of its efforts, PPL, as an out-of-state private equity-backed entity cannot claim any of the same community connections. The loss of the community connections is to the detriment of the vulnerable CDPAP consumers and their personal assistants.

2. The Loss of Caregivers and Jobs for New York State Residents: With the transition to PPL, CDPAP lost 77,000 consumers who switched from CDPAP to LHCSA services. Many of the personal assistants who were providing services to the consumers were not able to find positions with other consumers, and were not eligible to provide services to individuals receiving LHCSA services. In addition, with the closure of the local FIs, the individuals who were working for the FIs also lost their jobs. The loss of local jobs to an out-of-state provider is detrimental to New York State residents.

3. Vulnerable Consumers Lost Needed Care: Since the transition to PPL was such a debacle with personal assistants unable to register, and if registered, unable to get paid appropriately, and consumers who were unable to communicate with PPL in their languages and to register to receive services, consumers went without needed services. These consumers not only became sicker due to their inability to receive services from their caregivers, but some consumers left the program entirely to get the care they needed.

4. The State Lost Money With the Switch to PPL: The Administration has stated on numerous occasions that the transfer to PPL will save the state money, but any savings are only short-term savings that will lead to an ultimate long-term outlay of an additional hundreds of millions of dollars. Overall, the contract with PPL is costing the state more money than the cost of the contracts with the community FIs and there is and will continue to be a loss of state tax revenue.

5. The Contract Award to PPL was Improper: The contract award to PPL was rife with conflicts of interest due to the multiple PPL-related entities and services that are provided by those entities to DOH. PPL's horrendous history of operating Medicaid programs in other states should have disqualified PPL from the award, however, despite the history, the conflicts of interest and PPL not meeting the eligibility requirements to be awarded the contract, the contract award was rigged and the outcome was pre-determined so that PPL would be awarded the single-state FI CDPAP contract.

1. SUMMARY

CDPAP is a program which was designed specifically for New York State and differs greatly from other consumer directed service programs nationwide. The goal of CDPAP is to keep the elderly & disabled in home, without the need to go to a nursing facility or receive higher level of services in the community, which are much more costly. By allowing the Consumer to hire and train their own caregiver and removing administrative and liability obstacles so that these employees (most of whom do not have prior training in home care and are being selected based on a personal relationship with the Consumer receiving services), the Consumer has more choice and independence without relying on skilled services provided by higher-cost entities. As an example, under CDPAP, a PA is permitted to administer medication or manage the consumer's medical care by providing services such as insulin or feeding tubes. These are only two examples of skilled services, among other skilled needs from which Consumers benefit, which otherwise would have to be provided by a trained clinician. These services, in conjunction with the assistance from Local Fiscal Intermediaries to ensure access to training and other community benefits, are all focused on improving the Consumer's physical and mental well-being with the goal of keeping them in their home, and having necessary care and services provided by a familiar, geographically-suitable, and culturally and language matching individual.

NYS ranks 4th in the nation in the number of individuals aged 60 and over, with a total of 4.6 million.² In accordance with the information from the NYS Master Plan for Aging, this number is anticipated to grow annually, and is expected to reach 5.3 million by 2030. For years, advocates for home health have been pressing the New York State legislature about the need to attract a workforce since the need for caregivers is drastically outpacing the available supply of these support professionals. With the expansion of CDPAP as a home care service, which is available to the elderly population, the landscape of home health services has changed. Especially after what we learned from the COVID-19 pandemic, it is clear that nursing homes and other institutional settings are not a safe place for NYS' most vulnerable population. In-fact, during that time, it was clearly evident that there was a need for additional support professionals to continue to try to keep Medicaid consumers in their own home.

In addition to destroying the community connections with the removal of the local FIs, the award to PPL, whose equity is owned 26% by Public Consulting Group (PCG) through itself and its owners, was objectively not impartial, and is rife with conflicts. PCG and its subsidiary, Staffing Solutions Organization (SSO), are parties to contracts with the New York State Department of Health ("DOH"), the agency that issued the New York RFP to solicit the single FI. PCG actively provides consultation to DOH on Medicaid reform while simultaneously benefiting from PPL's administration of CDPAP, further undermining

² HR&A Advisors, *HR&A New York State Consumer Directed Personal Assistance Program and Home Health Study*, January 2025, available at: <https://acrobat.adobe.com/id/urn:aaid:sc:US:b408b1fe-422c-4b62-9453-7d84080adbf1>

the integrity of the transition process. Two Hundred Fifty SSO employees have positions within long term care operational and policy roles at DOH. The conflicts of interest between PCG, SSO, and PPL with respect to DOH present serious transparency and accountability issues.

2. WASTEFUL MIDDLEMEN VS COMMUNITY CONNECTIONS

The Hochul Administration has stated on multiple occasions and in multiple platforms that there was fraud that had been committed by the FIs, and the FIs who provided CDPAP services to hundreds of thousands of consumers were “wasteful middlemen”. Those statements could not be further from the truth.

With respect to the allegations of fraud, the Hochul Administration has repeatedly claimed that the transition to a single FI will eliminate Fraud Waste and Abuse (fraud, waste and abuse), a claim that has been touted by PPL. This statement is wholly unsupported and unfounded. In 2022, the New York State Office of Medicaid Inspector General (OMIG) conducted an audit of CDPAP providers for missing health assessments. OMIG reviewed a claims universe of over \$37 million, identifying overpayments of just \$46,000, representing a 99 percent claim accuracy.³ That level of accuracy is not designated as fraudulent.

PPL has been preaching about fraud in the traditional CDPAP program and insisting that without the “multiple layers of management”, it is less likely that fraud, waste and abuse will occur.⁴ Since the transition to PPL, the state has identified “35 instances of fraud in the previous iteration of the home care program.”⁵ While we acknowledge that any fraud is a problem, and I have been strenuously advocating for greater FI oversight for more than five years, 35 instances of alleged fraud pertaining to the CDPAP program when there were approximately six hundred 600 FIs servicing over 300,000 consumers is not systemic fraud to justify the wholesale change of a program that was working for all parties.

In fact, contrary to the few instances of fraud that have been identified, PPL’s oversight of fraud in its own house is lacking - a significant fraud has occurred since PPL took over administration of CDPAP. The New York Post reported on July 15, 2025, that a PPL worker was terminated for allegedly stealing paychecks from up to 10,000 CDPAP participants through a redirection of direct deposits to an overseas bank account.⁶ This level of fraud, in less than three (3) months since PPL took over, is significant, yet PPL has been extremely quiet about this issue that has arisen. There have been no articles, blogs or commentaries by PPL addressing this fraud - PPL has been vocal about alleged fraud prior to its takeover,

³ See [2022 OMIG Annual Report.pdf](#), available at: [Annual Reports | Office of the Medicaid Inspector General](#)

⁴ PPL First, *Protection by Design: How Self-Directed Care Programs Control Fraud, Waste, and Abuse*, May 15, 2025, available at: [Protection by Design: How Self-Directed Care Programs Control Fraud, Waste, and Abuse | PPL First](#)

⁵ Amanda D’Ambrosio, *Trump administration seeks to further delay state’s fraught home care transition*, Crains New York Business, August 1, 2025, available at: <https://www.crainsnewyork.com/health-pulse/departments-justice-seeks-delay-cdpap-legal-settlement>

⁶ Vaughn Golden, *Worker at Hochul’s hand-picked homecare payment firm allegedly siphons off cash meant for participants*, New York Post, July 15, 2025, available at: [Exclusive | Worker at Hochul’s hand-picked CDPAP payment firm allegedly siphons off cash meant for participants](#)

but when the allegation of fraud is at its own company, PPL is silent, other than to other than to correct it as “myth” in a Myth vs Facts document (Myths vs Facts Document) it published on August 8, 2025.⁷ It is interesting to note that the statement that PPL is alleging is a myth is not that the individual stole the money but rather that it was an allegation of an unsecure system, which, according to PPL, is secure. As is typical for PPL, PPL shifts the blame to others, in this case, a third party, and does not take responsibility for the actions that occurred under its watch. PPL doubles down with respect to the fraud that is alleged to have occurred previously and states “PPL has since enhanced its system controls to prevent the possibility of future “false timesheet” schemes. By identifying these violations — which were missed under the previous system — and implementing centralized control processes to prevent them going forward, PPL is ensuring proper stewardship of taxpayer funds.”⁸ The level of fraud that has occurred since PPL took over far surpasses the alleged 35 instances of fraud that were identified as having occurred prior to the transition.

PPL opens their Myths vs Facts Document with the following statement:

PPL has successfully transitioned New York’s Consumer Directed Personal Assistance Program (CDPAP) from 600 fiscal intermediaries to one. The transition was necessary to standardize systems and practices while rooting out fraud, waste, and abuse through enhanced oversight. Unfortunately, a very small but very loud group continues its efforts to sabotage the transition— clinging to a broken system that rewarded waste, drove up costs, and failed the people it was supposed to serve. This small group has perpetrated myths about the transition and about PPL’s work in New York.

Let’s set the record straight: under PPL, CDPAP is stronger today than it’s ever been. We’ve modernized the program, ended decades of abuse, and laid the groundwork for consistent, quality care in New York.⁹

PPL claims that there is a small but vocal group who wants to “sabotage the transition.” PPL is again using outrageous hyperbole; the group opposing the transition is vocal but it is not small, and the group is not trying to sabotage the transition; the group is doing all it can to right an egregious wrong that was perpetrated by the State and PPL. Many consumer organizations and even the United States Department of Justice (DOJ) have similarly questioned the transition to PPL.¹⁰

PPL again claims that there was fraud, waste and abuse and they have ended “decades” of abuse. PPL has not provided any evidence that there was systemic fraud, waste and abuse, there certainly was not “decades of abuse” since the CDPAP program in the most recent iteration prior to the transition to PPL was less than 15 years old, and, as will be explained

⁷ PPL First, *Correcting the Record on NY’s CDPAP Transition*, available at <https://pplfirst.com/wp-content/uploads/2025/08/PPL-Myth-vs.-Fact-Sheet.pdf> at page 3.

⁸ *Id.*

⁹ *Id.* at page 1.

¹⁰ DOJ Statement of Interest, *Engesser v. McDonald*, 25-cv-1689, Dkt. 61 (E.D.N.Y. April 9, 2025).

in detail below, did not drive up costs – the transition to PPL is going to drive up the costs to the State.

As to the allegation that FIs are “wasteful middlemen”, that is simply wrong. If the FIs were middlemen, so is PPL – PPL serves in the same role that all the FIs did – as a fiscal intermediary for the CDPAP program. The difference between the prior FIs and PPL is that the choice of PPL resulted in deficiencies rather than efficiencies, and the loss of close-knit community service by the over 600 FIs who faithfully served their respective communities for many years. The change from locally integrated community FIs has led to worse service, not better service as touted.

The FIs were, and for those few who are still operating, local, community-based entities. They were integral links in the local chain of community service providers to help the local community in which they were located. The vast majority of founders and owners of the FIs are minorities, and often from persecuted ethnic groups. These FIs, with the transparent ownership by minorities – rather than a private equity behemoth - furthered the State goal of having more minority and women-owned business (MWBE).

The State notes that “[I]t is the policy of the New York State Division of Human Rights and New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises (“MWBEs”) as contractors, subcontractors, and suppliers on its procurement contracts.” The State has a goal to have at least 30% of its state contracts awarded to MWBEs. On November 12, 2024, Governor Hochul announced that public contracts for MWBE entities was at 32.21%, for a total of nearly \$3 billion.¹¹ For all contracts with the state, there is almost \$3 billion awarded to MWBE, yet PPL, an out-of-state private non MBWE entity, has a \$9 billion contract – the contract for which a majority of the funds from the same program had previously been paid to MWBE entities. The award to PPL certainly did not further the State’s goal of increasing MWBE. Most of these MWBE started small, with the owners doing as many jobs as they could, in one small office with the goal of servicing their own communities. If they were successful, which many were, they were able to expand to other communities much like the ones in which they first started. This model is the epitome of the goal for increasing MWBEs in the State, while the award to PPL not only doesn’t further that goal, it has taken hundreds of MWBE off the map. Unlike with the independent FIs where not only the ownership was known by the state and the local communities since the owners were members of the communities, no-one knows who owns PPL. This lack of transparent ownership of PPL just adds to the sting of the removal of MWBE. The FIs hired local personnel to work in the offices that they rented in the communities that they served. The FI staff spoke the same languages and were attuned to the community cultural, ethnic and religious needs. The FIs were accepted in their communities because they were in the same community, and with that acceptance, they

¹¹ [Governor.ny.gov, Governor Hochul Announces New York State Exceeds 30% Minority – and Women-Owned Business Utilization Goal for Fourth Straight Year](https://governor.ny.gov/governor-hochul-announces-new-york-state-exceeds-30-percent-minority-and-women-owned-business-utilization-goal-for-fourth-straight-year), November 12, 2024, available at: [Governor Hochul Announces New York State Exceeds 30% Minority- and Women-Owned Business Utilization Goal for Fourth Straight Year | Governor Kathy Hochul](https://governor.ny.gov/governor-hochul-announces-new-york-state-exceeds-30-percent-minority-and-women-owned-business-utilization-goal-for-fourth-straight-year)

were able to form trusted connections with religious institutions, hospitals, advocacy groups and local community organizations.

PPL denies that they are hard to get in touch with, they claim that there is an EVV platform available in 14 languages and a call in telephony system available in 9 languages, and that they have “seven regional offices across the state for in-person support, partners with more than 40 community-based facilitators, and operates a multilingual call center.”¹² PPL has 7 regional offices and 40 community facilitators with platforms ranging from 9-14 different languages– the former FIs had 600 community-based programs speaking well more than 14 different languages. Caring Professionals FI staff alone spoke more than fourteen different languages, not to mention the multitude of languages spoken by the other FIs who are no longer included in CDPAP.

Loss of language and cultural access is not just bad policy, it is a federal compliance breach under Section 504 of the Rehabilitation Act (which prohibits discrimination based on disability in programs and activities receiving federal financial assistance) and Title 6 of the Civil Rights Act (which prohibits discrimination on the basis of race, color and national origin in programs and activities receiving federal financial assistance). Numerous instances of both consumers and PAs who were unable to obtain information, obtained incorrect information or simply could not communicate with PPL because of a different language or their disabilities are documented in the many lawsuits that have been brought against PPL. For PPL to suggest that 7 regional offices with 40 facilitators can equal the community-based interpersonal connections the previous FIs had, and that 9-14 languages spoken within the PPL system is sufficient to meet the needs of consumers and personal assistants when dozens of languages were spoken by previous FI staff is patently absurd and in clear violation of federal laws.

The FIs supported community causes, such as food banks for the indigent and elderly, and the FIs sponsored community events to promote employment opportunities for personal assistants as well as to increase awareness of the availability of services to individuals who are distrustful of the healthcare system. These community events were led by the people who spoke the same language, were of the same culture, ethnicity or religion, and understood the audience to which they were speaking.

With the community FIs, the consumers previously had a choice of FI who spoke their language and understood their cultural and religious needs – the consumers were able to choose who they were most comfortable with and which FI they wanted to use. Now, consumer choice has been stripped, and the consumers are forced to use PPL, not their trusted local FI, if they want to continue to receive CDPAP services.

The concern about loss of community connections was echoed by New York State Assemblyman Albert Stripe in an October 1, 2024 letter (Assemblyman Stripe’s Letter) that he sent to James McDonald, Commissioner of the DOH, regarding the RFP that had been issued and the award to PPL. The assemblyman noted that “the RFP’s requirement

¹² PPL First, *Correcting the Record on NY’s CDPAP Transition*, available at: <https://pplfirst.com/wp-content/uploads/2025/08/PPL-Myth-vs.-Fact-Sheet.pdf> at page 4.

that the selected statewide FI only needs to offer a contract to Independent Living Centers (“ILCs”) and other entities that have been providing CDPAP services at terms determined by the statewide FI, rather than mandating subcontracting as required by statute, is a significant deviation from the legislative intent. This alteration of statutory language undermines the role subcontractors providing critical support services and fails to ensure participation in the CDPAP.”¹³

The DOJ also addressed the loss of community connections in its Statement of Interest. ¹⁴ The DOJ states that “[I]n addition to helping vulnerable patients and providing a livelihood for thousands of caregivers, the CDPAP system has allowed a dynamic ecosystem of hundreds of relatively small Fiscal Intermediaries to cater to a local caregiving market. According to Plaintiffs and various other reports, New York’s CDPAP transition has displaced this entrenched local system, placing at risk the care and compensation of many thousands of program participants.”¹⁵

PPL is an out-of-state based FI who does not have the community connections – they do not have the local personnel, local offices, local knowledge, nor do they have years of building connection and trust. The disastrous transition has completely eliminated any semblance of localized or community connections. While PPL purported to be able to service all consumers in all languages in all communities when they began as an FI, the facts as set forth in this written testimony clearly evidence that premise to be completely false. Months after the initiation of the transition, PPL is making efforts to build “community engagement” and to have local “facilitator” roles wherein PPL would contract with certain former FIs to rebuild the lost community engagement. If PPL were adequately able to service all communities in the manner they indicated that they would be able to, there would not be any reason for them to seek to align with local facilitators, the former FIs who had those community connections.

The State has said that the former FIs were “wasteful middlemen”, yet PPL seeks to add not an additional layer, with the inclusion of facilitators, between it and the consumer. PPL is looking to add former FIs, the same entities who were described as “wasteful middlemen” back into the CDPAP delivery model. Therefore, it is incredulous that the state can claim that FIs were “wasteful middlemen” when PPL was not in the picture, but now that PPL needs assistance from those same entities to meet the consumer requirements, those same entities are no longer “wasteful middlemen” but an important part of PPL’s delivery model. Either having community FIs was wasteful as alleged and those FIs should not be permitted to be included as part of the new PPL care delivery model, or as this testimony will show, the FIs were never wasteful and the reason for the entire transition to PPL had nothing to do with the FIs and the CDPAP service delivery and everything to do with doing everything possible to award the contract to PPL.

¹³ Letter from Albert Stripe, Jr., N.Y. Assemblyman, 127th Dist., to James McDonald, N.Y. State Dept. of Health, Commissioner, (Oct. 1, 2024), available at <https://www.rochesterfirst.com/wp-content/uploads/sites/66/2024/10/Letter.pdf>.

¹⁴ *Engesser*, 25-cv-1689, Dkt. 61 (E.D.N.Y. April 9, 2025).

¹⁵ *Id.* at p.2

It is ironic that the state recognizes that economic development in the state is critical and that there is workforce shortage, they are looking to promote community events and urge community engagement, while at the same time the state stripped over 600 local community providers.¹⁶

3. FINANCIAL IMPACT TO THE STATE – THE STATE DID NOT RECEIVE A BETTER PRICE

Having already addressed the loss of community connections as it impacted the consumers and the personal assistants, we now turn to the practical financial impact to the state. Another one of the stated goals for the transition to a single FI was for the state to receive a “better price.” Multiple factors that have occurred as a result of the transition to a single FI have negatively impacted the state financially, so not only will there not be a cost savings, but in fact, ultimately, the state will lose money due to this transition to a single FI.

With PPL adding in facilitators, not only is there a new layer of bureaucracy, but there is also a new layer of cost from PPL. To be clear, this additional layer will not cost the state a penny with the change in the care model because they will not be paying PPL anything in addition to what has already been agreed to. PPL is not going to lose any money because they will be paying the facilitators a rate for their services that is below the facilitators’ cost so they can maintain their margins. The state will not lose money, PPL will not lose money, but the facilitators will not be able to sustain operations and they will close.

The contract with PPL is for nine (\$9) billion dollars per year – the same amount of money that was paid to all the collective FIs. PPL stands to make approximately one and half (1 1/2) billion dollars over the term of the contract. The highly touted five hundred (\$500) million dollar savings for the state is not through savings from the contract with PPL – it cannot be since the amount that is agreed to for the contract is the same as what had been spent historically over the same time period – but rather through cuts that were made by the state to payments for the managed care plans. The FIs’ reimbursement was based on the agreed-upon rate with the managed care plans, and the FIs had to meet certain standards to maintain the contracts and the rates that had been negotiated. With the transition to PPL, the state negotiated the rates to be paid to PPL by the managed care plans and the managed care plans lost all the leverage to negotiate the rates they paid. Since the managed care plans could not negotiate rates with PPL, to maintain their profit, the managed care plans needed to cut money from somewhere else, and they have cut more than two (\$2) per hour from their payments to another provider on the care continuum, LHCSAs. So, this transition to PPL has not only resulted in a negative impact to the CDPAP program care delivery, but many LHCSAs, who were barely making a profit, have now had their rates cut to the point where the LHCSA may not be sustainable further destabilizing the home care market. If LHCSAs don’t survive, the only other option for consumers will be institutional care.

¹⁶ See, for example, 2025 Economic & Workforce Development Summit, available at: https://events.cityandstate.com/2025-economic-workforce-development-summit/?oref=csny_event

DOH and PPL have stated on multiple occasions that this transition is going to save money by reducing administrative costs with fewer “middlemen” who not only will increase the potential for fraud, but also increase the cost to the program. However, this could not be further from the truth. In the prior iteration of CDPAP, the rate paid was an all-inclusive rate. The prior FIs were paid a flat rate that had been negotiated with the managed care plans. That rate was an all-inclusive rate – it had to cover the payment to the personal assistants, any additional wage parity required costs and administrative costs. Unlike PPL, the FIs did not receive an additional payment for administrative costs. PPL does. PPL negotiated a rate per member, as well as an additional fee for administrative costs. With both the per member payment (which was not reduced from the prior rate) and the additional administrative payment to PPL, it is simply not possible for the state to claim that it will be saving money.

In addition to the facilitator closures, with all of the FIs that have shuttered, money has been removed from the state coffers. Since the local FI offices have closed, there are fewer employed individuals – this is only accounting for the administrative staff in the office and does not include the nearly 200,000 personal assistants who are no longer working for the CDPAP program. Not only is there a loss of workforce personnel, with those individuals no longer working, there is a loss of employment tax revenue.¹⁷ Those individuals are also no longer purchasing items from local stores and vendors, and are not going out to entertainment venues, thereby removing the tax revenue from those activities as well. Additionally, the MWBE owners, who lived and invested in the communities they services, are no longer contributing financially as they had been. They are no longer paying taxes on their income as owners and some have moved out of state taking their business know-how and their hard earned money somewhere else. These entrepreneurs who made something of themselves will no longer be contributing to the tax base or innovations in the State. The money that was made by the FI owners was for individuals who lived in the state, paid taxes in the state, spent money in the state and reinvested in the state. Now, all the money is going into a private equity bank account, with the money going to private equity funds and not being spent in the state. The only financial conclusion that can be drawn from the move to one FI is that it is a tax drain for the State.

For the 77,000 consumers who switched from CDPAP to LHCSAs, and for new eligible individuals for home care services, to the extent that workers can be found to provide care through the LHCSA, the services are going to cost the state more money. Simply put, the cost of a LHCSA personal care hour costs more than an personal assistant hour, due to the heightened regulatory obligations and oversight required to be provided by the LHCSAs, as healthcare providers. The services have to be provided to the consumers one way or another and the State has simply shifted costs from one home care-based program to another.

If the LHCSAs are unable to provide services to individuals in the home because they are not able to hire sufficient workers, and there are not enough individuals willing to provide

¹⁷ Amir Khafagy, *Criticism Mounts Over CDPAP Overhaul as Immigrant Workers Go Unpaid*, Documented New York, August 5, 2025, available at: [Criticism Mounts Over CDPAP Overhaul as Immigrant Workers Go Unpaid](#)

services to consumers through CDPAP, it is not difficult to understand that if there are fewer workers to work in the home setting, individuals who are ill will need to receive care in some fashion, and those individuals will go to hospitals or nursing to receive more expensive care, which is paid for by the State. The number of former CDPAP consumers receiving institutional care will rise, costing the State more than it had previously paid for CDPAP. With the transition to PPL, the savings touted by the Administration are illusory - there will not be any savings. The facts evidence that the State will actually lose money, whether due to loss of tax revenue or actual outlay for other service provider types.

DOH is simply not concerned with the Medicaid dollars that are actually spent, regardless of whether budget cuts are threatened to the Medicaid program. The Office of the State Comptroller, which was completely left out of the contract award process to PPL, reported that DOH cost the state around \$300 million since 2023 in excess Medicaid spending with their failure to transfer eligible individuals to the Medicare program.¹⁸ Over 1.2 million New York State residents will likely lose Medicaid coverage due to new federal restrictions, yet instead of helping vulnerable New Yorkers, DOH continues to waste the precious Medicaid dollars with which it has to work.

4. BETTER SERVICE AFTER THE TRANSITION IS ONLY A FAIRY TALE

The DOJ shares our concerns regarding the difficulties and lack of availability for consumers to access services. In its Statement of Interest, the DOJ states that “CDPAP participants—many of whom face informational, medical, educational, and language barriers—have been forced affirmatively to enroll with PPL in order to avoid losing access to services. At the same time, Plaintiffs’ Complaint also describes numerous notice issues that may have impeded patients’ ability to proactively transition from their prior Fiscal Intermediary to PPL...Plaintiffs credibly allege that this transition process has burdened vulnerable CDPAP patients and threatened their ability to maintain critical care.”¹⁹

This consumer lack of access is in violation of the of the Medicaid Act, and its implementing regulations, and procedural due process rights guaranteed by the Fourteenth Amendment to the U.S. Constitution. Consumers have a constitutional right to notice and an opportunity to be heard before any loss of services, and a right to continuity of services. That right was not given to consumers. With the transition to PPL, without sufficient notice, time for consumers and personal assistants to transition if they chose to do so, and the removal of care and services while this process the State violated consumer’s statutory and Constitutional rights to timely and adequate notice of a “reduction, suspension, or termination of benefits,” as well as continuing care.

Federal law also requires that state Medicaid programs “assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care

¹⁸ Raga Justin, Audit: *NY Health Department racks up \$500M in extra Medicaid costs*, Albany Times Union, August 14, 2025, available at: <https://www.timesunion.com/capitol/article/audit-ny-health-department-racks-500m-extra-20817691>.

¹⁹ *Engesser*, 25-cv-1689, Dkt. 61 (E.D.N.Y. April 9, 2025) at p. 3.

and services are available to the general population in the geographic area.”²⁰ There is no possibly way for the State to argue that it has “enough providers” when it chose to have all of CDPAP services provided by just one FI instead of the 600 who were available prior to the transition. And, that one provider, clearly did not meet those requirements.

The horrific transition, the loss of care and services and the lack of customer service by PPL to address these service deficiencies are not just allegations, but are actually happening to consumers who have either been unable to transition to PPL or who don’t want to transition to PPL but have no other alternative in which to maintain their caregivers. These consumers want to keep their personal assistants and their FIs so that they can remain in their homes with the people who have helped keep them healthy and out of the hospital. Consumers who are diabetic and who are unable to self-administer their insulin are missing insulin doses, consumers who are not able to move independently are getting bed sores which are being left untreated, and consumers who cannot get their medications are suffering from worsening health conditions. All this leads to the exact opposite of the stated purpose of CDPAP – to permit consumers to remain in their homes, to be healthy while doing so, to have choice and autonomy with dignity and respect. The transition to PPL, and the services being provided under PPL, do not meet any of those standards.

It is well known that competition leads to better service, because the competitors who don’t provide the level of service that is expected and desired by their customers do not survive. Harvard Business School has conducted multiple studies which show that when there are existing entities who provide a quality service, they retain their customers.²¹ Free, competitive markets are good for the consumer. “[F]ree markets make us better off. Bakers make bread. Consumers choose to buy the bread with the best combination of price and quality. Society thrives, despite the profit motive of the bakers, because competition forces bakers to make good products at low prices. If a baker charges more than the competition (holding quality fixed), that baker will lose customers. Through this mechanism, competition pushes prices down and quality up.”²²

With the 600 FIs there was competition and if a consumer (or personal assistant) did like the services they received from the FI, they moved to another FI. FIs were forced to compete on grounds of providing quality and good service to their consumers and personal assistants, or else they would lose their contracts with the MLTCs and would lose their consumers. In short, poor FIs did not make it too long in this business because the consumers and personal assistants had other options. Now, they do not. If PPL does not provide good service to consumers and personal assistants, which we have shown they are not doing, the consumer and personal assistants are out of luck. There is no competition, there is no alternative choice, and there is absolutely no incentive for PPL to make improvements. PPL will retain consumers, as the only option for those who choose to have

²⁰ 42 U.S.C. § 1396a(a)(30)(A)

²¹ Ryan W. Buell, et al., *How Do Customers Respond to Increased Service Quality Competition*, Harvard Business School, available at: [How Do Customers Respond to Increased Service Quality Competition? - Article - Faculty & Research - Harvard Business School](#)

²² David Laibson, Comments to be presented at a White House Economics Conference on March 21, 2023,, available at [David-Laibson-remarks.pdf](#)

CDPAP, regardless of the quality of their services because the consumers have no choice. A model with one option and no choice does not lead to better service.

5. THOUSANDS OF WORKERS HAVE LEFT CDPAP AND THOSE WHO REMAIN ARE NOT BEING PAID APPROPRIATELY

Despite the State’s assertion that there has not been a loss of home workers, the numbers do not add up. The transition to the single FI PPL has completely upended the gains and progress that had been made in the caregiver workforce environment. With the move of approximately 77,000 consumers from CDPAP to LHCSA, there were quantifiable losses of workers for CDPAP. The majority of CDPAP personal assistants did not qualify as personal care aides or home health aides, and many chose not to go through the requisite training to obtain that credentialing. Those individuals are no longer part of the home health workforce, and care to consumers is suffering.

Further, with the transition to PPL, worker pay has been significantly impacted. Worker pay has reduced, which has led to workers leaving the home care space as well as a reduced pipeline and further difficulties hiring qualified staff to work in the home. If a personal assistant, personal care aide or home health aide is being paid the same or less as a worker in, for example, Target, Walmart or McDonalds, why would they work in home care where the work is more physically demanding and there is less of an opportunity to work overtime. Similarly, if a worker was being paid a certain amount and then received a reduction in pay rather than an increase, why would they continue to work for that company or in that industry? None of us would continue in that role.

Home care workers, who are primarily immigrants, are now getting less pay for the same hours, and many personal assistants who have moved over to PPL are still, months after the transition, reporting that they have not been paid for the hours they have worked, they don’t have the PTO to which they are entitled, and that PPL has engaged in wage theft.²³ One personal care assistant, who stated that she was only paid twelve (12) of the forty (40) hours that she worked claims that a PPL worker told her to “get a payday loan.” Many personal care assistants note that since they are not getting paid, they are relying on food pantries.²⁴ Of course, PPL disputes these assertions, and is stating that these are isolated incidents and they take these claims very seriously. However, this is not the first time that PPL has been accused of wage theft.²⁵

In the Myths vs Fact Document, PPL claims that “[A]ll PAs who have properly enrolled in CDPAP and submitted compliant timesheets are being paid.”²⁶ PPL stated that “[T]his claim that thousands of PAs have not been paid is completely false. Some payments were

²³ *Id.* See also, News 10 (Albany), Workers say PPL paycheck problems persist months into transition, August 5, 2025, available at: <https://www.news10.com/news/workers-say-ppl-paycheck-problems-persist-months-into-transition/>

²⁴ *Id.*

²⁵ *Id.*

²⁶ PPL First, *Correcting the Record on NY’s CDPAP Transition*, available at: <https://pplfirst.com/wp-content/uploads/2025/08/PPL-Myth-vs.-Fact-Sheet.pdf>, at page 2

delayed early in the transition due to insufficient employment documentation or incomplete registration. In many cases, this would not have been flagged under the previous FI model because they did not consistently enforce proper documentation.”²⁷ If PPL is to be believed, then the prior FIs did not have proper documentation which went undetected across the board, so all of these personal assistants who received pay should not have because the documentation was incorrect or incomplete. This is pure hogwash. Rather than taking any responsibility for issues that have arisen with the transition, months after the transition, PPL is blaming the personal assistants for their failure to comply with documentation requirements. This is a classic redirection and blaming of the victim. PPL claims that they are “working closely with PAs to help them properly register for the program and submit compliant timesheets to ensure full, on-time payments.”²⁸

Yet, all of the stories that we have heard from the personal assistants are contrary to these statements. Who will the Members choose to believe – the hardworking personal assistants who take care of the most vulnerable population or the big company trying to protect its \$9 billion dollar contract?

6. PPL’S RUINOUS HISTORY WITH STATE MEDICAID PROGRAMS

PPL’s history of disastrous services when awarded the contract to implement Medicaid programs was completely ignored with the award by the State. Similar to what has occurred in the State with the RFP and the award as the single FI, PPL failed to meet proposal requirements in response to a New Jersey RFP, yet, it was awarded the contract. In the New Jersey contract, PPL identified in its proposal that it would not provide certain services, which led to individuals “literally being denied life-critical services”,²⁹ and according to the Alliance for the Betterment of Citizens with Disabilities (“ABCD”), this outcome was predictable. At the time the article was written by ABCD, it was more than a year and half after PPL had taken over the responsibility for the program, and the colossal failures were still ongoing.³⁰ PPL has not changed its behavior with the award to the State single FI.

Disability Rights New Jersey advised the New Jersey State Comptroller’s Office that “PPL has consistently demonstrated that it is not equipped to perform the essential functions for the Medicaid beneficiaries it has been contracted to serve. DRNJ reported that PPL’s poor performance has caused interruptions in services including incorrect, inconsistent and missing payments for approved services, including payroll, long delays enrolling new participants and unresponsive customer service. Participants are not able to enroll new support personnel, personnel are not being paid, sometimes for weeks, and approved goods and services are not being paid. As a result, workers are resigning so Participants are not receiving services. Participants have also received violation notices of Federal and State

²⁷ *Id.*

²⁸ *Id.*

²⁹ Alliance for the Betterment of Citizens with Disabilities, *Egregious Fiscal and Operational Failures By Public Partnerships, LLC Were Predictable*, (September 2018), ABCD-PPL-Operational-Failures-White-Paper.pdf, available at: <https://www.abcdnj.org/wp-content/uploads/2025/01/ABCD-PPL-Operational-Failures-White-Paper.pdf>

³⁰ *Id.*

labor laws for failing to pay wages to caregivers or payroll withholding to taxing authorities.”³¹ The exact same issues that have occurred and are continuing with the transition to PPL in the State occurred in New Jersey more than 7 years ago, yet the State did not ask questions from its neighboring state and still awarded the State contract to PPL.

PPL’s poor history is not limited to its operations in New Jersey. In addition to the termination of the New Jersey contract, PPL has had its contracts terminated, or has lost contracts to manage similar home care programs in Washington, West Virginia, Virginia and Tennessee.³²

7. CONFLICTS OF INTEREST AND BID RIGGING, IMPROPRIETY WITH THE TRANSITION TO PPL, AND PPL’S UNSCRUPULOUS CONDUCT

Numerous lawsuits have been filed against the State which showcase the conflicts of interest and bid rigging that resulted in PPL becoming the single-state fiscal intermediary. Beginning in January 2017, PCG entered into multiple contracts with DOH to assist DOH with various components of the Medicaid Program. On January 1, 2017, PCG entered into a one hundred million (\$100,000,000.00) dollar contract with DOH for “Professional Assistance for NYS Medicaid Programs.” This contract was renewed in 2023. On August 1, 2022 PCG entered into a one hundred, two hundred thirty five thousand one hundred twenty five (\$1,235,125.00) dollar contract with DOH for “Medicaid Redesign Team transformation consulting services.” This contract expires on July 31, 2027 and expressly includes the “implementation” of the “Community First Choice Option”—the program in which CDPAP is housed. On January 1, 2023 PCG entered into a \$145,035,926.39 contract with DOH for “Professional Assistance for NYS Medicaid Programs.” This contract expires on December 31, 2027.³³

Prior to October 2024, PCG was the majority owner of PPL. In July 2022, PCG reduced its ownership interest to 16.1%, while three PCG executives still held individual interests totaling 9.9%. However, even though PCG reduced its majority ownership interest, in PPL’s bid submissions to Tennessee and West Virginia in 2023, the individuals listed as contact individuals/employees of PPL did not have PPL e-mail addresses; they had PCG e-mail addresses. Further, PCG, with its 16.1% ownership in PPL and its multi hundreds of millions of contracts, is not a disinterest party. All of this is clear evidence that PCG continues to have a significant relationship with PPL, and with DOH, even after the sale of its majority interest.

With the earlier attempt by New York State to undergo an RFO process with respect to the CDPAP program, PPL employees were “repeatedly boasting to conference attendees that the company would be in charge of selecting which fiscal intermediaries would be awarded contracts under the new RFO.”³⁴ This earlier RFO process was mired in problems and lawsuits, and, ultimately, DOH rescinded the RFO. However, the preselection of PPL as

³¹ *Id.*

³² Kate Lisa, *Calls grow for N.Y. to bid Medicaid program contract with care*, Spectrum News 1, September 6, 2024, available at [Calls grow for NY to bid Medicaid program contract with care](#)

³³ *Freedom Care v. Dep’t of Health*, Index No. 161036/2024 (Sup. Ct. N.Y. Cnty, filed Nov. 25, 2024).

³⁴ *Id.* at NYSCEF No. 69 (Marcou-O’Malley Aff.) ¶¶ 6-7.

the entity who would be involved in the RFO award, and its deep involvement in CDPAP, continued leading up to the award to PPL as the single FI.

On or about April 9, 2024, Carlos Martinez, the CEO of the disability advocacy not-for-profit BRIDGES, attested that during a meeting with the State’s Chief Disability Officer, Kimberly Hill Ridley, a staff member informed participants “that the State intended to choose Public Partnerships, LLC to take over as the statewide fiscal intermediary.”³⁵

Shortly thereafter, on April 11, 2024, two articles were written regarding the bid-rigging that pre-selected PPL as the single state FI. Max Rodriguez authored an article which includes information that that “[The Center for Disability Rights] understands that the Hochul administration intends to contract with PPL, Inc. as the sole fiscal intermediary for the State. We are deeply concerned about the quality of services that will be provided by PPL under this state-sanctioned monopoly, which eliminates any incentive to provide good customer service.”³⁶ Dan Clark authored an article in which he stated that “Multiple sources told [Clark] the entity under consideration is Public Partnerships, LLP [sic].”³⁷

1199 SEIU was a behind-the-scenes champion of issuing the award to PPL. Prior to the transition, some FIs were unionized with 1199, others were unionized with other labor unions, and still other FIs were not unionized at all. 1199 was looking to change that. 1199’s goal is to have all workers unionized for them to pay dues so that 1199 can offer “benefits” to all of its members. Workers must be part of the union and must pay union dues, regardless of whether they want to be unionized. The benefits to be offered are chosen by 1199, whether the majority of its members need or want those benefits. With all CDPAP workers under PPL, 1199 would have a union monopoly. 1199 is always looking to increase its membership numbers, but by backing PPL, if failed the very work force it purports to assist. Nearly 200,000 personal assistants, workers helping the most vulnerable population, left CDPAP. With the push to PPL, 1199 certainly was not looking out for the best interests of its members and potential members, because if it had been, it would not have pushed to have workers in the home care sphere lose pay and have reduced wages as has occurred with PPL. 1199’s push towards PPL only benefited 1199.

Both the State Senate and State Assembly did not agree with moving CDPAP to a single FI, and knowing this, the Administration went a different route, sidestepping the State Senate and State Assembly to achieve its goals. The new, and allegedly impartial RFO process, was initiated on June 17, 2024 with the issuance of RFP #20524. There were three amendments to the RFP. According to DOH’s Tabulation of Proposals, one hundred thirty six (136) bids were submitted in response to the RFP, including PPL. PPL submitted its bid on August 21, 2024. Notwithstanding PPL’s representation in its bid that awarding it the contract would not create even a “perception” of a conflict of interest “with any current role . . . regarding any existing contracts or agreements” with the State,³⁸ the actions by PPL are contrary to that statement. PPL continues to maintain that it “was selected after a

³⁵ *Id.* at NYSCEF No. 26 (Martinez Aff.) ¶¶ 4-6.

³⁶ *Id.* at NYSCEF No. 75 (Rodriguez Article).

³⁷ *Id.* at NYSCEF No. 94 (Clark Article).

³⁸ *Id.* at NYSCEF No. 50 at 3; NYSCEF No. 51 at 1.

competitive, transparent procurement process to deliver consistent, reliable support to CDPAP participants.”³⁹

It was an open secret that PPL was going to be awarded the RFP. The next day, August 22, 2024, Amanda D’Ambrosio wrote an article noting that prior to the bid award, PPL had “started to proactively reach out to existing fiscal intermediaries in New York, offering them a potential subcontract” and “hiring [for] a director to oversee financial management services in New York.”⁴⁰ Around the same time, on or about August 26, 2024 PPL posted job listing for a New York “Director, Market Implementation” position at on the website of ADP: Workforce Now, stating that the PPL’s new “Director will oversee the New York market and consumer implementation function and ensure the Customer Experience Operations department’s goals and responsibilities are met in New York.”⁴¹ All of these outreach actions by PPL occurred over a month prior to the determination of the award. On September 26, 2024, an article was published stating that “[M]ultiple people, including state Senate Health Committee chair Gustavo Rivera, said Thursday they have heard company Public Partnerships LLC is a frontrunner to win the state Health Department’s multi-billion-dollar contract to manage the state’s Consumer Directed Personal Assistance Program.”⁴²

PPL was informed that it had won the bid as the single state FI on September 27, 2025, three days prior to when the remaining bidders were advised that they had not been awarded the contract. On the same day, September 30, 2024, Governor Hochul issued a press release identifying PPL as the awardee for the contract. DOH entered into the contract with PPL to be the single state FI on January 2, 2025 to run through December 31, 2029.⁴³ Assemblyman Stripe’s letter noted significant concerns with the: “[o]verly aggressive RFP timeline” with only “forty-one days to review proposals, score those proposals, make an award, and then enter into a contract with the winning bidder,” raising the concern that the timeframe did not allow the DOH “to do adequate due diligence.”⁴⁴ This concern has been echoed by multiple parties.

Although some of the information regarding the bid-rigging did not come to light until after PPL had already been awarded the contract, the level to which PCG, SSO and PPL was, and still is, embedded within DOH makes the presumption of impartiality of the award to

³⁹ PPL First, *Correcting the Record on NY’s CDPAP Transition*, available at <https://pplfirst.com/wp-content/uploads/2025/08/PPL-Myth-vs.-Fact-Sheet.pdf>, at page 4

⁴⁰ *Freedom Care*, Index No. 161036/2024 (Sup. Ct. N.Y. Cnty, filed Nov. 25, 2024) at NYSCEF No. 77 (D’Ambrosio Article).

⁴¹ *Id.* at NYSCEF No. 78 (PPL Job Posting).

⁴² Kate Lisa, *Calls grow for N.Y. to bid Medicaid program contract with care*, Spectrum News 1, September 6, 2024, available at [Calls grow for NY to bid Medicaid program contract with care](https://www.spectrum.com/story/news/politics/2024/09/06/calls-grow-for-ny-to-bid-medicaid-program-contract-with-care/7048244002)

⁴³ Office of the New York State Comptroller, *Open Book New York: Contract Search Results*, , <https://wwe2.osc.state.ny.us/transparency/comptroller/contracts/contractresults.cfm?a=DOH01&ac=&v=Public+Partnerships&vo=B&cn=&selOrigDateChoiceOperator=0&txtOrigFromDate=&txtOrigToDate=&selCTDateChoice=0&selCTDateChoiceOperator=0&txtCTFromDate=&txtCTToDate=&selContractAmountChoice=0&txtContractAmount1=&txtContractAmount2=&b=Search>

⁴⁴ Letter from Albert Stripe, Jr., N.Y. Assemblyman, 127th Dist., to James McDonald, N.Y. State Dept. of Health, Commissioner, (Oct. 1, 2024), available at <https://www.rochesterfirst.com/wp-content/uploads/sites/66/2024/10/Letter.pdf>.

PPL laughable Brian Watkins, a Medicaid Program Manager in DOH through Staffing Solutions Organization, a subsidiary of PCG, stated that “around 50% of the employees in my division within DOH– the MILC – were actually employed by PCG and SSO” and “there was little to no distinction between DOH employees and PCG-SSO employees.”⁴⁵ Amir Bassiri, in a supplemental affirmation, acknowledged that 250 out of 2307 individuals, which is more than 10%, of SSO employees work in DOH’s Medicaid program.⁴⁶ This lack of impartiality is obvious to anyone who takes the time to look at the facts.

The money grab by PPL and its vendors was magnified after the contract award. PPL, and the insurance provider PPL contracted with to provide insurance to workers, Leading Edge Administrators (also using the name Omni Advantage) have been accused of setting up a healthcare insurance program that is geared towards ensuring that PPL and Leading Edge maximize the money that they retain from these programs, up to nearly \$100 million per year.⁴⁷ The new healthcare and benefits program, which went into effect May 1, does not provide any meaningful healthcare coverage. Some workers have health care coverage via different means, and for those who do not. PPL and Leading Edge have been accused of offering a health plan that only covers an extremely limited number of preventive health care services, and no hospitalization coverage. The worker mandatory contribution to the bare-bones health plan is in addition to the funds deducted from workers’ pay into accounts that workers have difficulty accessing and using for qualified expenses. In fact, Leading Edge has admitted that approximately one third of these funds are not spent annually.⁴⁸ With the coverage not utilized for the health care benefit, and the money remaining in the account that is unspent, PPL and Leading Edge stand to keep millions of dollars. This is in addition to the insurance coverage not actually covering the majority of the medical needs, which leaves the workers needing that care in severe financial debt. Leading Edge has also been accused in lawsuits of not paying bills to doctors and hospitals. The parties who are administering this program appear to more interested in maximizing profits and less interested in actually helping consumers.

8. DOH’S ILLEGAL REQUESTS AND CONSTITUTIONAL VIOLATIONS OF THE RIGHTS OF CONSUMERS, PERSONAL ASSISTANTS, AND FIS

As if all the conflicts and bid-rigging was not enough, DOH acted as the henchman for PPL, putting forth directives that violated the constitutional rights of consumers, personal assistants and FIs, and would have caused the FIs to violate federal and state law. On December 6, 2025, DOH issued a memo that required the FIs to provide the following

⁴⁵*Freedom Care*, Index No. 161036/2024 (Sup. Ct. N.Y. Cnty, filed Nov. 25, 2024) at NYSCEF No. 70 (Watkins Aff.) ¶¶ 2-4.

⁴⁶ *Id.* at NYSCEF No. 127 (Bassiri Supp. Aff.) ¶¶ 4, 5.

⁴⁷ Sam Mellins, *New York’s Health Companies Could Pocket Millions Meant for Low-Wage Care Aides*, *New York Focus*, July 21, 2025, available at: <https://nysfocus.com/2025/07/21/new-york-leading-edge-flex-pay-cdpap#:~:text=Two%20health%20care%20companies%20are,state%2Dfunded%20home%20health%20program.>

⁴⁸ *Id.*

information to various entities, without the consent or approval of the consumers or personal assistants:⁴⁹

1. Notice to the CDPAP consumer (or the consumer's representative) including the SFI contact information and indicating that the SFI will be contacting them to assist them with the transition process. In addition, the notice indicates the Current FI has also notified their Managed Care Plan or LDSS, their PA(s), and the Department.

2. Notice to the CDPAP consumer's PA(s) indicating the Current FI has notified their CDPAP consumer of the discontinuation of fiscal intermediary operations and the need for them to transition to the SFI. The notice includes the SFI contact information. The notice also indicates the Current FI has notified the Department, and the CDPAP consumer's Managed Care Plan or LDSS.

3. Notice to any Managed Care Plan or LDSS with which the Current FI contracts indicating the Current FI has notified their CDPAP consumers, the CDPAP consumer's PA(s), and the Department of their discontinuation of fiscal intermediary services. The notice must identify each CDPAP consumer that has received the notification and their PA(s).

DOH also impermissibly, and in violation of federal and state law, required that the FIs transfer consumer and personal assistant confidential data to PPL by specific dates for various counties, which included the following:

1. Full names of CDPAP Consumer
2. Consumer CIN
3. Designated Representative and contact information (if applicable)
4. Consumer contact information (phone number, email address)
5. Consumer preferred language
6. PA(s) for each Consumer
7. PA contact information (phone number, email address)
8. PA wage information.

Despite FIs not having any knowledge of PPL and its abilities to administer CDPAP in New York State, DOH insisted that FIs advise its consumers and the personal assistants that there would not be any change to the services to consumers or to the personal assistants upon the transition to PPL. DOH insisted that the FIs “vouch” for PPL, an entity who the FIs did not know, did not have any relationship with, and, frankly, with good reason, did not trust. DOH, illegally and impermissibly then threatened the FIs who provided other services reimbursed by Medicaid that if the FIs did not comply with the directive, they

⁴⁹ New York Dep't of Health, *Consumer Directed Personal Assistance Program (CDPAP) Statewide Fiscal Intermediary Transition Policy for Current Fiscal Intermediaries*, December 6, 2024, available at [New York State Department of Health Memo: Consumer Directed Personal Assistance Program \(CDPAP\) Statewide Fiscal Intermediary Transition Policy for Current Fiscal Intermediaries](#)

would be terminated from the Medicaid program for all services. Many FIs did not comply, and Caring Professionals sued the State and was awarded a TRO to prevent DOH from sanctioning providers in the Medicaid program due to noncompliance with DOH's impermissible directives to FIs.⁵⁰

Despite DOH and PPL's wishful thinking and believing that if something is stated enough times, the public will believe it and all would be well, and DOH's attempted force for the FIs to say only nice things about PPL with threats of sanctions for noncompliance, the statements made by DOH and PPL regarding a "smooth transition" from the FIs to PPL are patently false.

Unlike the disaster that is the current broken system of CDPAP under PPL, the prior CDPAP system with the single FIs, functioned well to serve all the consumers and personal assistants who were part of the program. While admittedly the system had its flaws and was not always perfect, there were never any reports of masses of consumers who were unable to obtain services and thousands of personal assistants who were not being paid. Contrast that with the malfunctioning transition to PPL, where there are thousands of consumers who left the CDPAP program to receive services elsewhere, thousands of consumers who went without services, and personal assistants, who until today, are not getting paid. Not only has Caring Professionals received hundreds of calls from former CDPAP consumers begging to come back to Caring Professionals, but consumers from other counties, nowhere near the Caring Professionals service area, have contacted Caring Professionals to see if it can help them obtain services. Caring Professionals is not the only one of the few remaining FIs to receive calls like this.

The same Kumbaya statements that were made by DOH and PPL, and which DOH wanted the FIs to make to the public, were, are, and will continue to be, false. There is no smooth transition, there is no continuity of services without interruption, there is no pay for all hours worked for personal assistants, there is no meaningful health plan, and there is no one at PPL to talk to about it. All of these issues have been raised numerous times as grave concerns with the award and the transition to PPL by consumers, personal assistants and FIs. The DOJ stated in its Statement of Interest that it was the DOJ's intent to investigate three aspects of the transition: "whether (1) the New York Department of Health is complying with federal law governing the provision of Medicaid services; (2) the State of New York has made material misrepresentations to patients, their personal assistants ("PAs"), and the public regarding an ongoing transition of federal health care benefit programs; and (3) privacy-protected patient data is being shared without patient consent."⁵¹

In its Statement of Interest, the DOJ questioned whether some of the representations that were made by PPL and its representatives, many of which were echoed by DOH, made true and accurate representations to the public regarding the transition. The DOJ expressed concern regarding "veracity of representations and assurances made by key drivers of the

⁵⁰ *Caring Professionals, Inc. v. Dep't of Health*, Index. No. 601181/2025, Dkt. 54 (Sup. Ct. Nassau Cnty. Jan. 27, 2025).

⁵¹ *Id.* at 1-2

transition in communications to CDPAP patients, their PAs, and the public.”⁵² The DOJ noted that:

A federal statute, 18 U.S.C. § 1035, proscribes any materially false or misleading statements involving federal health care benefit programs like Medicaid. In this instance, the State of New York has made representations to CDPAP participants and the public about, inter alia, continuity of care through the transition, the impacts of the transition to PPL on access to care or compensation, and the role of incumbent Fiscal Intermediaries before and during the transition. At least some of these statements appear to be in tension with the on-the-ground reality. For instance, the New York Department of Health promised CDPAP patients that “[y]our plan of care, hours of service, and your right to choose your personal assistant(s) is not affected by [the] change in providing fiscal intermediary services.” New York State Department of Health, FI Discontinue Services Template FI to Consumer (Dec. 6, 2024). It further promised that “the truth” is that “[i]f you’re a CDPAP user, you can keep your trusted caregiver,” “[i]f you’re a caregiver, it will be easier for you to get paid,” and that “New Yorkers will get better care and better service at a better price.” New York State Department of Health, Consumer Directed Personal Assistance Program (CDPAP) (Jan. 8, 2025). But Plaintiffs’ Complaint describes tens of thousands of CDPAP patients who, Plaintiffs allege, have lost or will lose the ability to obtain care due to problems with the transition process. See Compl. ¶¶ 112-156. This suggests that vulnerable CDPAP patients and their caregivers may have been misled by formal and informal representations and omissions regarding the mechanisms of the CDPAP transition and the corresponding effect on their healthcare.⁵³

The DOJ has continued to investigate this matter and has also interviewed several material witnesses to investigate whether there has been any unlawful collusion between DOH and PPL. This investigation is ongoing.

9. PPL’S REACTIONS TO THE CLAIMS THAT HAVE BEEN MADE AGAINST PPL

On July 16, 2025, PPL issued a statement noting that since CDPAP had transitioned to PPL and PPL is in a “strong operational position”, it was time for the president to turn to other projects. On August 7, 2025, PPL issued a statement (the “PPL Statement”) that it had “executed the largest self-directed care implementation in U.S. history with the transition of New York’s Consumer Directed Personal Assistance Program (CDPAP) to PPL as the state’s sole fiscal intermediary, and that it was thrilled to have Miki Kapoor as [our] CEO, following a collaborative transition with former PPL CEO Vince Coppola.”⁵⁴

⁵² *Id* at 4.

⁵³ *Id* at 4-5

⁵⁴ PPL First, *Welcoming New Leaders, Strengthening Our Mission*, August 7, 2025, available at <https://pplfirst.com/news/welcoming-new-leaders-strengthening-our-mission/>

Successful companies, especially those that have done such a historic deal, do not generally undergo a complete management change after a contract award such as this. However, PPL is unique (in many ways), and since the CDPAP transition to PPL in April 2025, PPL's entire senior leadership has left PPL – the CEO, CFO, President, and Executive Vice President of Operations have all left or have given notice to leave. Miki Kapoor is a member of PPL's board of directors, but he is also a partner at one of the private equity firms that owns PPL, Linden Capital Partners. While the PPL Statement touts his board service and leadership experiences at other healthcare entities and global healthcare initiatives, as well as other professional activities, the PPL Statement does not address his partnership interest in an owner of PPL. It is also interesting to note that the Executive Vice President of Operations submitted his resignation when the allegations of the paycheck theft as noted above came to light. PPL is certainly entitled to change personnel, but coming on the heels of the “largest self-directed care implementation in U.S. history”, it certainly raises questions as to how PPL will be run in the future.

In addition to the Myths vs Facts Document, which as set forth in detail in this testimony is completely inaccurate and self-serving, in an effort to try to address the just and widespread criticism of PPL knows will be discussed at this hearing, PPL has further upped the press game to promote its success. On the same day that the Myths vs Facts Document was published, August 8, 2025, Miki Kapoor wrote an opinion piece in the Albany Times Union.⁵⁵ The piece states that “there's a small but loud movement determined to drag New York back to the chaos of 600 intermediaries, sky-high fees, fraud and zero accountability. That's not leadership. That's padding the pockets of fraudsters.” Mr. Kapoor's opinion piece notes that consumers still have choice and that PPL was rooting out fraud stating that “[A]s before, every eligible CDPAP consumer can receive the same standard of care, from the trusted caregiver of their choice. We've prioritized trust and accessibility every step of the way. The only change is that we are accountable to taxpayers and the law -- no more fraud, no more waste, no more evading the rules” and “[W]e've identified patterns like caregivers billing for two consumers at the same time, billing while consumers were hospitalized or not even in the country, or billing time for services performed after a consumer passes away. These aren't harmless errors; it's fraud, plain and simple.” He also states that “[L]et's not pretend challenges don't exist in transitions of this scale. But to suggest this rollout was not a good one, or that it has reduced care for New Yorkers, is simply untrue” and also that “[U]nder PPL, personal assistants are receiving higher wages in many counties and, for the first time, standardized benefits including paid time off, holiday pay, training and access to health insurance and retirement plans. We're building a foundation for sustainable careers in care and treating caregivers with the dignity they deserve.”⁵⁶ These statements are simply false and are not supported by the facts.

In the Myths vs Facts Document, PPL states that contrary to assertions that they do not offer holiday pay, they do, “at 1.5x the PA's base rate for the first 8 hours that a PA works on a holiday, as long as the PA does not also work overtime hours that week.” So, a personal

⁵⁵ Miki Kapoor, *PPL is the solution to New York state's home care problem*, Albany Times Union, August 8, 2025, available at: <https://www.timesunion.com/opinion/article/commentary-ppl-solution-new-york-state-s-home-20805115.php>

⁵⁶ *Id.*

assistant has a choice – they can either receive holiday pay for the day, which if they choose to do, may leave their consumer without services, because if they work overtime, they cannot get an overtime rate.

Mr. Kapoor certainly has a gift for the understatement and changing the facts to meet his narrative. The transition to PPL did not have “challenges” as Mr. Kapoor suggests; the transition to PPL was, objectively and factually supported, rife with chaos leading to a loss of consumers in the program, loss of personnel to provide services for consumers, inability for consumers to obtain the services they need, a reduction, not an increase, in pay for personal assistants, and personal assistants are still not getting paid. That Mr. Kapoor places the problems on the prior FIs is ironic given the chaos that has ensued with the transition to PPL for consumers and personal assistants, the fraud that was perpetrated on the 10,000 CDPAP participants under PPL’s watch, the higher fees that will go into the PPL’s coffers and the conflicts of interest and complete lack of transparency and oversight over the contract that has been awarded to PPL.

Contrary to Mr. Kapoor’s opinion, consumers are not getting the same standard of care from the same caregivers because thousands of the personal assistants left CDPAP due to the bureaucracy and pay changes instituted by PPL. Personal assistants are coming forward to address the alleged paid time off that off that is being provided, which they cannot access. The same is true for the deceptive health insurance and retirement plans – PPL may be providing those plans, but it is undisputed that the personal assistants who are supposed to benefit cannot access these supposed benefits. The benefits provided for the personal assistants are not helping the consumers and personal assistants but rather will ultimately line the pockets of PPL shareholders, like Mr. Kapoor.

10. CONCLUSION

Mr. Kapoor’s publication of this opinion piece, with information that is completely skewed to make PPL look like the savior it is not, a day after he was installed as CEO, less than two weeks prior to this hearing, and in conjunction with the self-serving Myths vs Facts Document is certainly suspicious, if not part of a well-planned strategy to shift the focus from the true facts. PPL, its owners and affiliates are embedded with DOH, the RFP process was in no way impartial, and the award to PPL harmed consumers, personal assistants, and the hundreds of FI businesses that were forced to close. The public and the Members of the Health, and Investigations and Government Operations Committee are too smart to buy what PPL is selling.

I would like to thank the Members for their time and for permitting me to submit this written testimony and to provide oral testimony at this hearing. I give more credit to the Members than Mr. Kapoor seems to be giving, and we trust that the Members will see the true facts and take a hard look at the process that awarded PPL the CDPAP contract, the harm that has occurred to consumers, personal assistants, and all the business who formerly provided FI services, and how PPL is conducting themselves after the contract award.