



Nonprofits Must Adjust to Medicaid Redesign

THE PROVISION OF health services for low-income individuals in New York State is undergoing radical change as a result of the state's Medicaid Redesign. Medicaid Redesign seeks to lower hospitalization rates by increasing the coordination of services and providing ancillary services outside of a hospital. As a result, nonprofits must contract with as many as twenty managed care companies to receive payment for services, rather than continuing to receive payment through contracts with New York State or directly from Medicaid.

Beginning in July 2015, adult Medicaid recipients in New York City will be required to enroll with a managed care company, which will, in turn, reimburse providers for services rendered. This requirement will extend to adults throughout New York State beginning in October 2015 and children beginning in 2016.

The change affects mental health treatment, services for senior citizens such as social adult day care, HIV/AIDS services, substance abuse treatment, and other health-related services that historically have been funded through government contracts or private payment and collectively are referred to as "behavioral health services." As part of its Urban Health Initiative, Lawyers Alliance is working with nonprofit providers to prepare for this substantial program and funding change.

Medicaid Redesign Will Dramatically Alter the System

Even before the transition to managed care, nonprofit behavioral health organizations often lacked the financial stability to overcome the challenges of a disruption in their funding streams. Because payments come through managed care companies, further delays are likely to negatively impact cash flow for already vulnerable organizations. In order to operate in this changing environment, providers will need new billing systems, possibly a line of credit to ease cash flow concerns, and systems to satisfy new contractual compliance and reporting obligations.

continued on page four



Photo: AIDS Center of Queens County

AIDS Center of Queens County has taken steps to prepare for Medicaid Redesign.



INSIDE

New York City's New Housing Plan

also:

Lawyers Alliance Board and Staff Changes

"Non-Traditional" Workers at Lawyers Alliance

Save the Date: May 13, 2015 Gala

New Board Roles and Member

Lawyers Alliance's Board of Directors has elected **Ariel J. Deckelbaum**, of Paul, Weiss, Rifkind, Wharton & Garrison LLP, as the new Board Chair. He succeeds **John D. Lobrano**, of Simpson Thacher & Bartlett LLP, who became Chair in 2012 and has led the organization during a period of significant program expansion. Mr. Lobrano will serve as Vice Chair until his rotation off the Board in June.

Mr. Deckelbaum joined Lawyers Alliance's Board in 2010, recently served as Board Vice Chair, and is Chair of the Development Committee. He is a Deputy Chair of Paul Weiss' Corporate Department and a member of the firm's Mergers and Acquisitions Group, Private Equity Transactions Group, and Canadian Practice Group. Mr. Deckelbaum's legal practice is diverse, with extensive experience in mergers and acquisitions, joint ventures, alternative asset management, and restructuring transactions. He is a member of the

Board of Advisors of the Faculty of Law at McGill University, his alma mater.

In addition, we are pleased to announce the election of **Warren J. Karp** of Greenberg Traurig, LLP to Lawyers Alliance's Board of Directors. Mr. Karp is the Co-Chair of the New York office of Greenberg Traurig, Chair of the firm's Global Retail Practice, and a member of the firm's highly regarded Real Estate Practice Group. He represents national and international clients in diverse real estate and commercial business and retail operations matters. Mr. Karp is a Fellow of the American Bar Foundation, a member of the Advisory Board of the Georgetown Law Center Advanced Commercial Leasing Institute, and a member of the New York and Pennsylvania Bar Associations.

We thank Mr. Deckelbaum and Mr. Lobrano for their continued leadership and welcome Mr. Karp to the Board.

Lawyers Alliance Welcomes New Staff

Faith Alexander, a Public Service Venture Fund Fellow sponsored by Harvard Law School, has valuable experience related to workforce development, nonprofit business ventures, and financial inclusion. She received her B.A. from Howard University and J.D. from Harvard Law School. She is part of Lawyers Alliance's Economic Development team, providing legal and educational services to nonprofits that promote community vitality and stability.

Jennifer Beamish, on a Pritzker Fellowship from Northwestern University School of Law, brings her public interest commitment and economics background to our community development work. She received her B.A. from McGill University and MSc from the London School of Economics prior to her J.D. from Northwestern. She is part of

the Affordable Housing team, helping nonprofits engaged in affordable housing development, supportive housing, and homeless services.

Ben Fraimow brings valuable outreach and organizing experience to the role of Program Associate for Pro Bono. After receiving his B.A. from Boston University, he worked as project coordinator for New York Public Interest Research Group's campus programs. You can find him at the center of Lawyers Alliance's pro bono recruitment and placement activities, striving to ensure that our clients and volunteers have a rewarding pro bono experience.

Marissa Lieberman-Klein is using her research, analytical, and technology skills to provide important program support as Program and Database Assistant. After receiving her B.A. from the University of Chicago, she worked as a research assistant on a documentary film while continuing her passion related to a healthy environment. Expect to hear from her when Lawyers Alliance is updating information about recent case activity or when you order a publication.

**Faith Alexander,
Jennifer Beamish,
Marissa Lieberman-Klein,
and Ben Fraimow**



“Non-Traditional” Workers at Lawyers Alliance

In recent years, Lawyers Alliance has expanded our in-house staff by adding several attorneys who join us on a volunteer or fellowship basis. These “non-traditional” staff members greatly enhance our ability to serve nonprofit organizations through legal representation, brief consultations, and educational services.

Fellows: Legal fellows start their careers at Lawyers Alliance after law school with the generous support of foundations and programs that fund part or all of their positions. Each fellow focuses on a particular program priority area and is mentored by a Lawyers Alliance senior staff attorney. We currently host three legal fellows: **Kelsey Ripper** in our urban health area; **Faith Alexander** in our economic development area; and **Jennifer Beamish** in our affordable housing area.

Law Firm Externs: Law firms participating in the Lawyers Alliance externship program continuously sponsor one of their associates to work full-time at Lawyers Alliance for at least four months. As externs, these attorneys build their business law, transactional, and client relations skills while having the opportunity to do meaningful pro bono work in a concentrated manner. Lawyers Alliance has hosted an extern from Cleary Gottlieb Steen & Hamilton LLP since 1989 and an extern from Skadden, Arps, Slate, Meagher & Flom LLP since 1999. **Adam Kinon** and **Susan Arbeit** are now with us from Cleary and Skadden, respectively.

Attorneys Returning to the Work Force:

Attorneys who seek to return to the work force, typically after raising a family or furthering their education, find productive placements at Lawyers Alliance. Senior Volunteer Counsel **Anne Arcano**, a former Skadden tax associate who recently completed her LLM, is gaining additional experience related to the law of tax exempt organizations.

Senior Counsel: Attorneys who have finished their compensated careers also may volunteer at Lawyers Alliance. Our in-house legal team is currently strengthened by the volunteer services of **Ira Roxland**, a retired Dentons LLP partner, former Lawyers Alliance Board member, former member of the Council of New York Law Associates, and longtime pro bono attorney.

These colleagues support Lawyers Alliance’s commitment to quality service. We are grateful for each of them.

Senior Volunteer Counsel **Ira Roxland** recently represented the Carter Burden Center for the Aging (CBCA) to finalize its merger with Elder Craftsmen. As result of the merger CBCA is able to continue Elder Craftsmen’s mission of encouraging seniors to use art as a means of expression. **William Dionne**, CBCA’s Executive Director, noted that “having Ira take ownership of this project was what we needed to close the deal. Now that Elder Craftsmen and CBCA are formally merged, CBCA will be able to continue to enhance the arts programming available to our seniors.”

Lawyers Alliance Board of Directors

Ariel J. Deckelbaum (Chair)
Paul, Weiss, Rifkind, Wharton & Garrison LLP

John D. Lobrano (Vice Chair)
Simpson Thacher & Bartlett LLP

Neil Radey (Treasurer)
Credit Suisse

Celayne G. Hill (Secretary)
Local Initiatives Support Corporation

Craig F. Arcella
Cravath, Swaine & Moore LLP

Joshua Berick
Arnold & Porter LLP

Kimberly Brown Blacklow
Cleary Gottlieb Steen & Hamilton LLP

Craig A. Bowman
Debevoise & Plimpton LLP

Mark A. Cohen
Deloitte LLP

Brian S. Cousin
Dentons US LLP

Mike Delikat
Orrick, Herrington & Sutcliffe LLP

Colin J. Diamond
White & Case LLP

Andrew G. Dietderich
Sullivan & Cromwell LLP

Gerald A. Francese
DLA Piper LLP (US)

James M. Gockley
BNY Mellon (retired)

Mark Hoenig
Weil, Gotshal & Manges LLP

Warren J. Karp
Greenberg Traurig, LLP

Brian Krisberg
Sidley Austin LLP

Leor Landa
Davis Polk & Wardwell LLP

Doreen E. Lilienfeld
Shearman & Sterling LLP

Larren M. Nashelsky
Morrison & Foerster LLP

Heidi L. Naunton
Viacom Inc.

Jeff Norton
Linklaters LLP

John R. O’Neil
Kirkland & Ellis LLP

Miles N. Ruthberg
Latham & Watkins LLP

Matthew B. Zisk
Skadden, Arps, Slate, Meagher & Flom LLP

Support from Banks & Corporations

Lawyers Alliance receives generous financial support for our programs through our annual fundraising appeal and sponsorship of our Business

Law & Leadership Gala. We thank the following banks and corporations that contributed \$1,000 or more during our fiscal year ending June 30, 2014:

Astoria Bank

Bank Hapoalim B.M.

BlackRock, Inc.

BNY Mellon

The BTMU Foundation

Chicago Title Insurance Company

Citigroup Inc.

Consolidated Edison Company of New York

Credit Suisse

Deloitte LLP

Deutsche Bank, N.A.

Esquire Bank

Goldman, Sachs & Co.

Home Box Office, Inc.

JPMorgan Chase

Local Initiatives Support Corporation

M&T Bank

MacAndrews & Forbes Incorporated

MetLife Foundation

Pfizer Inc

PricewaterhouseCoopers LLP

Ridgewood Savings Bank

Signature Bank

Sterling National Bank

Time Warner Inc.

Viacom Inc.

Woori America Bank

Lawyers Alliance Staff

Laura Abel
Senior Policy Counsel

Faith Alexander
Law Clerk
Harvard Fellow

Susan Arbeit
Extern
Staff Attorney

Jennifer Beamish
Law Clerk
Pritzker Northwestern Fellow

Avie Bertaccini
Client Relations Coordinator

Kathryn Byrd
Development Coordinator

Emily Crossan
Marketing and
Communications Manager

Nicole Cuttino
Staff Attorney

Sean Delany
Executive Director

Ben Fraimov
Program Associate for
Pro Bono

Elizabeth M. Guggenheimer
Deputy Executive Director /
Director of Institutional
Advancement

Douglas Kato
Director of Finance and
Administration

Adam Kinon
Clearly Extern
Staff Attorney

Marissa Lieberman-Klein
Program and Database
Assistant

Linda S. Manley
Legal Director

Tory Messina
Pro Bono Manager

Judith Moldover
Senior Staff Attorney

Hedwig O'Hara
Senior Staff Attorney

Elizabeth Perez
Senior Staff Attorney

Aaron Perlson
Information Systems
Manager

Mariel Read
Associate Director of
Development

Kelsey Ripper
Staff Attorney
Equal Justice Works Fellow
sponsored by Sutherland
Asbill & Brennan LLP

Neil Stevenson
Senior Staff Attorney

Faith Thomas
Office Administrator

Nonprofits Must Adjust to Medicaid Redesign

continued from page one

In the coming years, behavioral health providers will need to compete further in an open market, driving down reimbursement rates. This is encouraging service providers to consider how they can join together to deliver services on a scale that will satisfy the expectations of managed care companies and lower overhead costs.

Lawyers Alliance Is Supporting Providers

Lawyers Alliance is working to manage and minimize disruptions in the provision of service to needy populations by helping behavioral health organizations cope with emerging legal issues in this new environment.

Demystifying Managed Care Contracts: As nonprofits seek to contract with managed care companies, they will need to demonstrate their value and ability to work effectively and efficiently with multiple managed care companies in order to obtain sufficient contract funding. These contractual relationships are very complicated, covering a range of topics from service delivery to billing, and they often require new regulatory compliance protocols. Lawyers Alliance is reviewing and comparing clients' contracts with managed care companies to enable clients to better understand the business relationship, anticipate cash flow, and develop systems for contract and regulatory compliance.

Case example: Community Access assists people with psychiatric disabilities to make the transition from shelters and hospitals to independent living. Every day, Community Access supports 1,600 New Yorkers to live independently in transitional or permanent housing programs, build community connectors, or pursue education and career opportunities. Community Access has applied for funding through the state's Medicaid Redesign program to open a Brooklyn respite site, as well as three new sites in Manhattan. Lawyers Alliance and pro bono counsel from Epstein Becker & Green, P.C. have reviewed managed care contracts that will support the program.

Mergers and Strategic Alliances: Nonprofits competing in a managed care environment need to consider how strategic alliances might facilitate their ability to maintain quality programs. Joining with other nonprofits through a merger, joint venture, or other strategic alliance may enable them to reduce compliance costs by combining back

office operations for cost savings. Alternatively, such a transaction may create a more attractive revenue stream or expand program options, thereby allowing them to serve more program participants. Particular attention in these transactions should be paid to issues relating to licensing and maximizing reimbursement rates.

Case example: For almost 30 years and as the only AIDS Community Service Provider in Queens, **AIDS Center of Queens County** (ACQC) has provided critical services and advocacy for more than 8,000 HIV-positive clients and 30,000 community residents in five locations. Recognizing the need to take action to ensure the continuity of its services in an evolving funding environment, ACQC approached the AIDS Health Foundation (AHF) with the intention of forming a partnership that would allow ACQC to expand and enhance existing services and help maintain the long-term sustainability of its programs. With assistance through Lawyers Alliance staff and pro bono counsel from Kirkland & Ellis LLP, ACQC recently finalized an affiliation agreement that will allow ACQC and AHF to leverage their respective strengths to better serve the needs of people living with HIV/AIDS throughout Queens.

For further information about Lawyers Alliance's work with behavioral health organizations, please contact Senior Staff Attorney **Elizabeth Perez** at 212-219-1800 x 232 or eperez@lawyersalliance.org.

THE NEW YORK
COMMUNITY TRUST



For more than thirty years, Lawyers Alliance has benefited from

the generous financial support of The New York Community Trust. The Trust understands that New York City's nonprofit sector is strengthened by the availability of quality technical assistance. Through the years, The Trust has funded the launch of Lawyers Alliance's workforce development, disaster relief, and elder service initiatives, as well as innovative projects and collaborations to sustain programs of nonprofits in financial distress.

In 2015, Lawyers Alliance is fortunate to receive a Trust grant to support its work to help organizations reimagining themselves in an era of Medicaid Redesign. Senior Program officers **Irfan Hasan** and **Patricia Swann** and former Program Director **Len McNally** spearheaded this grant. Lawyers Alliance congratulates Len McNally on the occasion of his retirement and thanks him for championing the nonprofit sector.

New NYC Housing Plan Brings Hope to Affordable Housing Arena

In May 2014 Mayor de Blasio released “Housing New York: A Five-Borough, Ten-Year Plan,” which includes a goal to preserve and construct 200,000 affordable housing units. The Housing Plan presents the administration’s roadmap for creating housing for every New Yorker. It describes programs that would be launched in the near-term, such as mandatory inclusionary housing, which would require the development of permanently affordable units for low- or moderate-income households in connection with any rezoning that increases housing capacity. The Mayor also emphasizes the need for government agencies to work together, and in some cases coordinate with each other, to implement this ambitious and comprehensive Housing Plan.

Of particular interest to community organizations, the Housing Plan details two new programs: the Neighborhood Construction Program (NCP) focuses on affordable rental housing projects, and the New Infill Homeownership Opportunities Program (NIHOP) is a home ownership program. In December 2014 the NYC Department of Housing Preservation & Development (HPD) released a Request for Qualifications (RFQ) seeking potential developers for NCP and NIHOP.

The NIHOP and NCP Request for Qualifications

HPD has identified 180 lots in neighborhoods across the Bronx, Brooklyn, Manhattan, and Queens. The plan is to convey sites to developers selected through the NCP and NIHOP RFQ process. Developers may also apply to develop privately owned properties. City-owned sites will be conveyed for \$1 in exchange for a lien on the premises in the amount of the appraised value that can be enforced if the City’s covenants are

violated. All projects must participate in the Enterprise Green Communities Program and obtain a Green Program certification.

Under NCP, eligible projects will contain up to 30 apartments available for rent to low- to middle-income residents. Preference

is to be given to projects requesting less than the maximum subsidy of \$100,000 per unit, and offering the most affordability, and otherwise demonstrating cost containment.

NIHOP projects will offer home ownership opportunities for one- to four-family homes or condominiums or cooperatives of up to 14 units. HPD will give preference to projects with one-third of the units affordable to households earning up to 80 to 90 percent of Area Median Income (AMI). Projects may include tiers between 90 and 110 percent AMI and between 110 and 130 percent AMI.

Lawyers Alliance Staff and Volunteers

Organizations that successfully navigate the RFQ process will need to contend with the financing, development, and legal challenges of mounting a project. Lawyers Alliance staff and volunteers have represented nonprofit developers and community-based organizations for over 45 years with various HPD rental and home-ownership programs. We can provide advice during the RFQ process and beyond through the acquisition, construction, and permanent loan phases.

Community organizations planning to undertake a development project should consider that in order to access HPD capital funds, the borrower must be a housing development fund corporation (HDFC). HPD now requires that all HDFCs be single purpose entities that are formed for site-specific purposes. HPD has modified the HDFC certificate of incorporation form to reflect this change. Our staff and pro bono attorneys can form the HDFC and help clients to prepare and negotiate architect’s contracts, construction contracts, consulting agreements, low-income housing tax credit documents, and loan documents. Housing groups should also be aware that the NYS Nonprofit Revitalization Act, effective July 1, 2014, also impacts the governance of HDFCs.

We look forward to working with nonprofits as the new programs in the Housing Plan are rolled out and organizations take advantage of new opportunities to build their housing portfolios and increase capacity. Contact Senior Staff Attorney **Hedwig O’Hara** at (212) 219-1800 ext. 226 or hohara@lawyersalliance.org for more information.

El Barrio’s Operation Fightback (EBOFB) is planning to respond to the HPD RFQ. Shown here is its La Casa Quinta Apartments in Upper Manhattan.



Photo: EBOFB, Inc.



Lawyers Alliance *for* New York

171 Madison Avenue
Sixth Floor
New York, NY 10016

BUSINESS LAW & LEADERSHIP GALA • WEDNESDAY, MAY 13, 2015

Please join Lawyers Alliance for New York
in supporting pro bono legal services for New York City nonprofits.

THE GALA WILL HONOR:

Steven M. Cohen

*Executive Vice President, Chief Administrative
Officer and General Counsel*
MacAndrews & Forbes Incorporated

Rohan Weerasinghe

*General Counsel and
Corporate Secretary*
Citigroup Inc.

Eileen Torres

Executive Director
BronxWorks

Reception starting at 6:00 p.m.
Dinner and Awards Presentation starting at 7:00 p.m.
Gotham Hall • 1356 Broadway at 36th Street, Manhattan

For information please contact **Kat Byrd** at
kbyrd@lawyersalliance.org or 212-219-1800, ext. 225,
or visit the Gala webpage at www.lawyersalliance.org/gala.php.

